

PJSC GAZPROM

CONSOLIDATED REPORT ON PAYMENTS TO GOVERNMENTS

FOR THE YEAR 2015

1 GENERAL INFORMATION

This consolidated Report on payments to governments (hereinafter “the Report”) has been prepared under the requirements of the UK Financial Conduct Authority's Disclosure Rules and Transparency Rules 4.3A.

The Report contains information on payments made to governmental bodies by PJSC Gazprom and its subsidiary undertakings (hereinafter “the Group”) engaged in exploration, prospection, discovery, development, and extraction of mineral resources (hereinafter “extractive activities”). The Report excludes payments made by the Group entities not engaged in extractive activities.

2 BASIS FOR PREPARATION

For the purposes of this Report, the Group subsidiary undertakings are defined as entities controlled by PJSC Gazprom.

Associated entities, joint ventures and joint arrangements accounted for using the equity method are excluded from this Report.

The Russian ruble is the presentation currency of this Report and the Consolidated Financial Statements of PJSC Gazprom prepared in accordance with the International Financial Reporting Standards (“IFRS”). All amounts disclosed in this Report are presented in millions of Russian rubles except as noted

Payments made in foreign currencies have been translated to Russian rubles at the average annual exchange rates of respective currencies set by the Central Bank of the Russian Federation.

For the purposes of this Report, “governments” mean any national, regional or local authority, ministry or agency authorized for collection of taxes, budgetary and other payments in accordance with applicable legislation effective as of the date of the occurrence of a payment obligation. For the purposes of this Report, “governments” also include legal entities authorized for collection of taxes, fees and other payments imposed by state authorities.

The Report includes all direct and indirect payments to governments.

For the purposes of this Report, payments to governments include the following:

- a) Production entitlements;
- b) Taxes on income, production or profits (mineral extraction tax, profit tax (including profit tax paid by PJSC Gazprom consolidated group of taxpayers), land tax and other similar taxes), except for those specified in paragraph (h) below;
- c) Royalties;
- d) Dividends, except for those specified in paragraph (i) below;
- e) Signature, discovery and production bonuses;
- f) License fees, rental fees, entry fees and other considerations for licenses or concessions;
- g) Payments for infrastructure improvements, except for those that are social expenses in nature.

For the purposes of this Report, payments to governments do not include the following:

- h) Turnover taxes (value added tax, sales tax and other similar taxes) or taxes withholding by an entity acting as tax agent (personal income tax and other similar taxes);
- i) Dividends paid to shareholders that are government bodies, on the same terms as to other shareholders;
- j) Export duties and other payments related to export and transportation of mineral resources.

There were no payments of royalties (c), dividends (d) or bonuses (e) to governments in 2015.

PJSC GAZPROM
CONSOLIDATED REPORT ON PAYMENTS TO GOVERNMENTS
FOR THE YEAR 2015
(in millions of Russian rubles)

The Report presents payments breakdowns by the following categories:

- Projects for extraction activities;
- Countries in which the Group is engaged in extraction activities.

For the purposes of this Report, a “project” means a legal entity engaged in extraction activities. This definition is based on the existing tax regulations in the Russian Federation where the Group performs most of its extraction activities. In accordance with the effective tax legislation in Russia, only mineral extraction tax can be determined for each particular field. All other taxes are calculated and collected at the level of a legal entity as a whole and cannot be allocated to particular fields.

If a Group company is involved in several types of business activities (including extraction activities) and a portion of its tax obligations directly related to extraction activities cannot be determined, the whole tax payment is included in this Report.

Note 31 “Net cash provided by operating activities” in the Consolidated Financial Statements of PJSC Gazprom for the year 2015, prepared in accordance with IFRS, discloses information on taxes paid and other similar payments made in cash by all subsidiaries of the Group (regardless of their types of business activities) in 2015.

3 PAYMENTS TO GOVERNMENTS

The table below sets forth information on payments to governments by the Group in 2015, summarized by projects for extraction activities.

	Production entitlements	Taxes on income, production or profits	License fees, rental fees, entry fees and other considerations for licenses or concessions	Payments for infrastructure improvements	Total
	millions of Russian rubles				
PJSC Gazprom	-	57,580	195	-	57,775
LLC Gazprom geologorazvedka	-	4	77	-	81
LLC Gazprom dobycha Astrakhan	-	23,110	3	-	23,113
LLC Gazprom dobycha Krasnodar	-	3,504	57	-	3,561
LLC Gazprom dobycha Nadym	-	30,386	174	-	30,560
LLC Gazprom dobycha Noyabrsk	-	25,926	58	-	25,984
LLC Gazprom dobycha Orenburg	-	12,980	6	-	12,986
LLC Gazprom dobycha Urengoy	-	81,883	377	-	82,260
LLC Gazprom dobycha Yamburg	-	126,522	106	-	126,628
Gazprom International UK Ltd.	-	92	-	-	92
LLC Gazprom neft shelf ¹	-	2,638	-	-	2,638
LLC Gazprom transgaz Ukhta	-	320	38	-	358
LLC Gazprom transgaz Yugorsk	-	37	170	-	207
LLC Gazpromneft-Sakhalin ¹	-	-	10	-	10
LLC Gazpromneft-Angara ¹	113	36	10	-	159
LLC Gazpromneft-Vostok ¹	-	7,493	44	-	7,537
OJSC Gazpromneft-Noyabrskneftegaz ¹	100	61,973	15	1,480	63,568
LLC Gazprom Neft Orenburg ¹	-	10,556	-	-	10,556
LLC Gazprom Neft Razvitie ¹	-	151	-	-	151
LLC Gazpromneft-Khantos ¹	1,353	96,046	4	-	97,403
LLC Gazprom neft Yamal ¹	-	1,146	2	50	1,198
LLC Zhivoi Istok ¹	-	40	-	-	40
LLC Zapolyarneft ¹	-	29,954	-	6	29,960
OJSC Kamchatgazprom	-	181	-	-	181
PJSC Krasnoyarskgazprom	-	-	2	-	2

PJSC GAZPROM
CONSOLIDATED REPORT ON PAYMENTS TO GOVERNMENTS
FOR THE YEAR 2015
(in millions of Russian rubles)

	Production entitlements	Taxes on income, production or profits	License fees, rental fees, entry fees and other considerations for licenses or concessions	Payments for infrastructure improvements	Total
	millions of Russian rubles				
LLC Meretoyakhaneftgaz ¹	-	11	-	-	11
Naftagas-naftni servisi d.o.o. ¹	-	23	-	-	23
Naftna Industrija Srbije a.d. ¹	-	2,505	58	-	2,563
CJSC Purgaz	-	8,242	9	-	8,251
OJSC Severneftegazprom	-	22,152	85	-	22,237
OJSC Tomskgazprom	-	10,557	-	-	10,557
CJSC Centre for Science-Intensive Technologies ¹	-	4,620	-	-	4,620
JSC Yuzhuralneftegaz ¹	-	<u>1,809</u>	-	-	<u>1,809</u>
Total	1,566	622,477	1,500	1,536	627,079

¹ Subsidiaries of PJSC Gazprom нефт.

The table below sets forth information on payments to governments by the Group in 2015, summarized by countries in which the Group is engaged in extraction activities.

	Production entitlements	Taxes on income, production or profits	License fees, rental fees, entry fees and other considerations for licenses or concessions	Payments for infrastructure improvements	Total
	millions of Russian rubles				
Russia	1,566	619,857	1,441	1,536	624,400
Kyrgyzstan	-	-	1	-	1
Angola	-	186	-	-	186
Serbia	-	2,319	58	-	2,377
Romania	-	23	-	-	23
United Kingdom	-	<u>92</u>	-	-	<u>92</u>
Total	1,566	622,477	1,500	1,536	627,079

PJSC GAZPROM
CONSOLIDATED REPORT ON PAYMENTS TO GOVERNMENTS
FOR THE YEAR 2015
(in millions of Russian rubles)

PJSC Gazprom has its registered office at:

PJSC Gazprom
16 Nametkina Street
V-420, GSP-7,
117997, Moscow, Russia

Telephone: (7 495) 719 3001
Facsimile: (7 495) 719 8333, 719 8335
www.gazprom.ru (in Russian)
www.gazprom.com (in English)