



RELEASE

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Board of Directors reviews cost optimization options for 2017

The Gazprom Board of Directors took note of the information about Gazprom Group's cost optimization (reduction) options for 2017.

It was underscored that throughout the current year the Company would sustain its comprehensive approach to cost growth control, including by optimizing costs at the budgeting stage, executing the cost reduction program, implementing cost optimization plans, and using competitive procedures to procure goods, works, and services. In addition, Gazprom undertakes measures developed in pursuance of the Russian Government's instructions on reducing operating costs.

While drafting its 2017 budget, Gazprom explored the ways of optimizing both operating and investment costs. At the same time, the Investment Program for the current year was developed via ranking projects by the level of priority within the framework of the Company's strategy.

Gazprom also takes steps to boost efficiency and optimize costs for the Company and its subsidiaries in a number of lines of business. A significant portion of those measures are aimed at energy and resource saving, including by introducing cutting-edge technologies to reduce gas consumption for process needs and by optimizing the operation of production facilities and gas transmission channels.

The Gazprom Management Committee was instructed to carry on with the Group's cost optimization (reduction) efforts in the current year.