

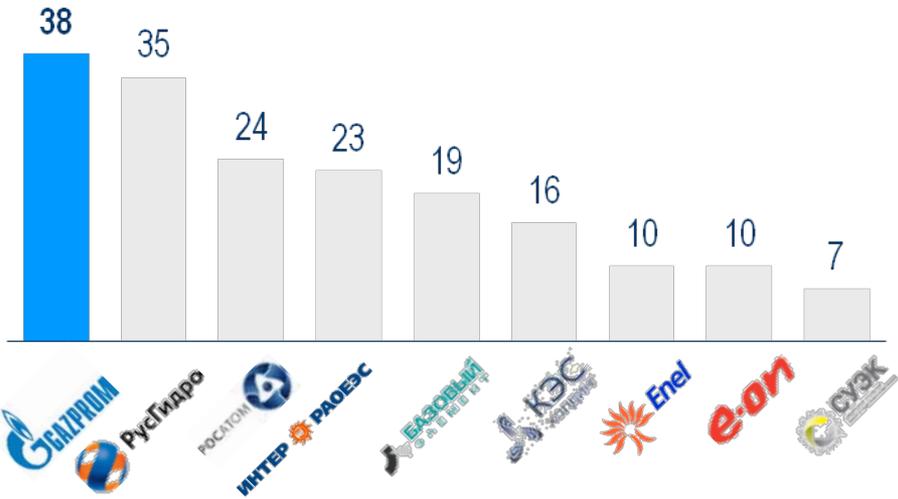
GAZPROM'S POWER GENERATION STRATEGY

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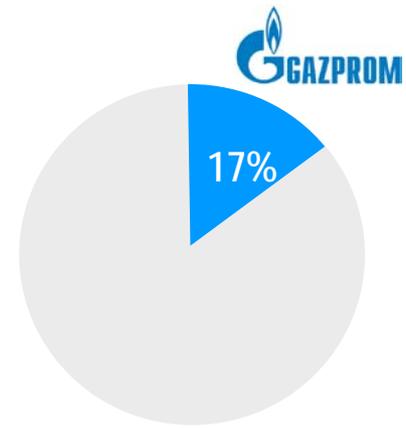
Head of the Directorate for Power Sector Development and
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Director General, Gazprom Energoholding

Installed capacity, GW



Gazprom’s share in production, %



Production

- Installed capacity – **38 GW**
- Volume of the produced power – **172.8 billion kWh**
- Produced heat – **98.8 million Gcal**

Financial indicators*

- Total proceeds – RUB **326.3 billion**
- Net profit – RUB **12.7 billion**
- EBITDA – RUB **41.7 billion**

Source: Gazprom's data

* IFRS, obtained through combination of data for Mosenergo, TGC-1, WGC-2

Production

Power, billion kWh

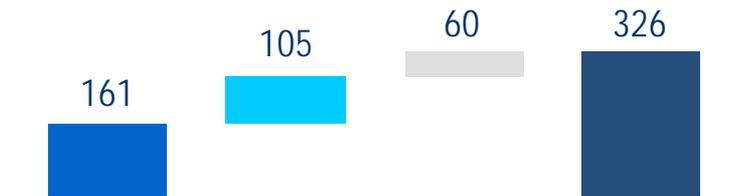


Heat, million Gcal



Financial indicators

Proceeds, RUB billion



Net profit, RUB billion

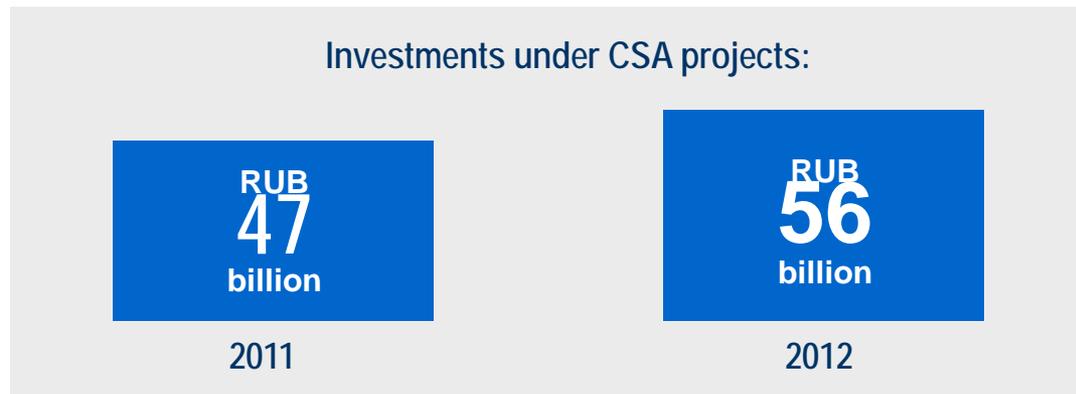


EBITDA, RUB billion



Source: Gazprom's data, IFRS financial statements

Investment Program is currently 55% completed

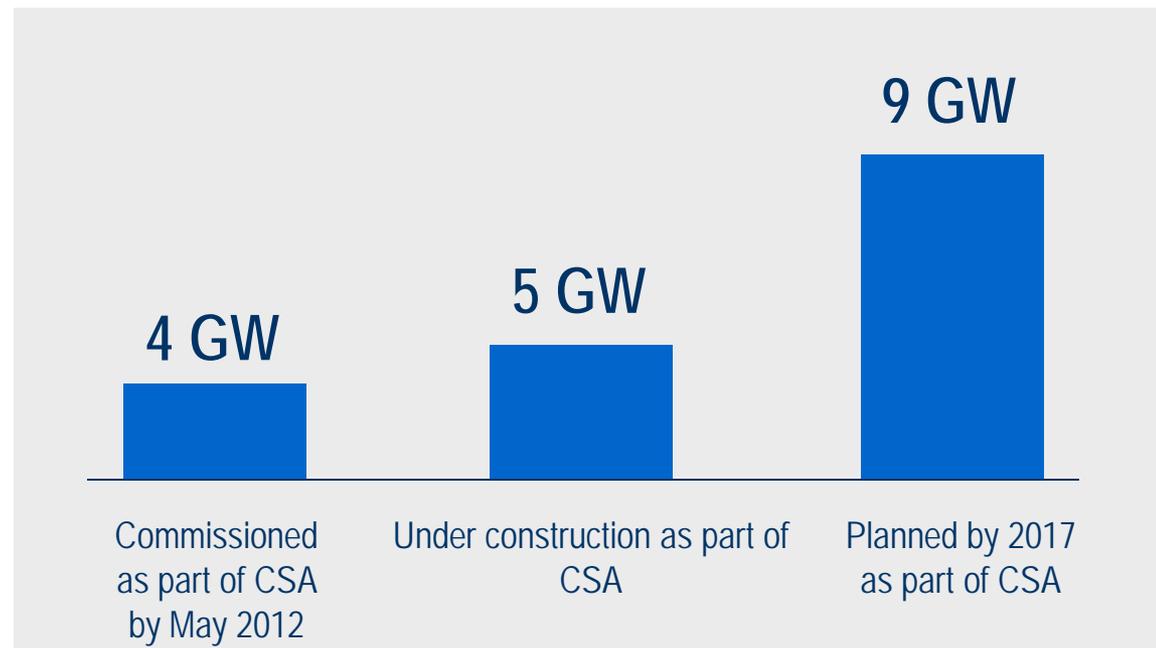


- TGC-1 received over 10% of the Company's proceeds and 17% of the marginal profit from the Wholesale Electricity Market owing to new equipment put into operation in 2011
- In 2H 2011 Mosenergo received 8% of the proceeds and up to 15% of the marginal profit from the Wholesale Electricity Market owing to new equipment
- Adler CHPS will support sports events of 2014 in Sochi
- By the end of 2012 investment program under CSA will be fulfilled by 2/3

Source: Gazprom's data

Results of Gazprom Energoholding Investment Program Implementation by 2017

- Proceeds of Gazprom energy companies will grow 1.8 times
- EBITDA will grow 3.5 times versus 2011 owing to new capacities
- New capacities will produce 70-80% of the profit



Source: Gazprom's data

In 2011 CCGT-180 and CCGT-450 were put into operation at the Pervomaiskaya CHPP and the Yuzhnaya CHPP

Pervomaiskaya CHPP, 180 MW



Fuel consumption reduced from 352 to 293 g/kWh

CO₂ emissions reduced from 1,120 to 755 g/kWh

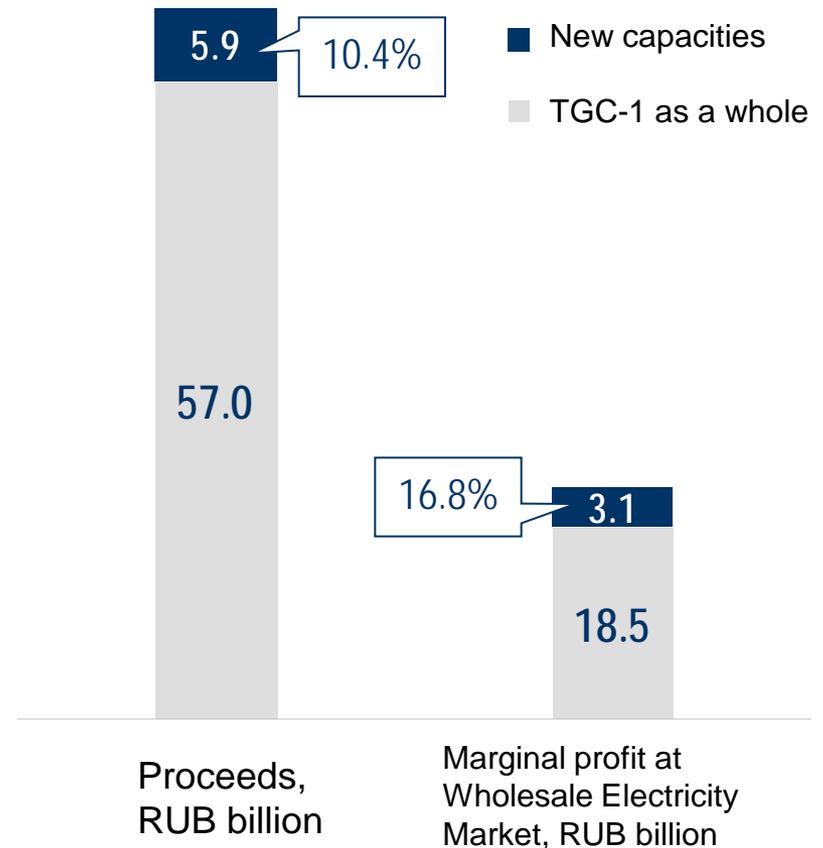
Yuzhnaya CHPP, 450 MW



Fuel consumption reduced from 268 to 265 g/kWh

CO₂ emissions reduced from 717 to 593 g/kWh

Source: Gazprom's data



- Troitsk SDPS is situated in energy hub with growing demand and used as a regulator of intersystem crossflows
- Station equipment is worn out and outdated
- Commissioning of a new unit in 2015 will solve mentioned problems

Troitsk SDPS
upgrade will help
reduce regional
power deficit

- Power generating unit capacity – **660 MW**
- Efficiency – **42%**, fuel consumption – **292 g/kWh**
- Growth of tax revenues – **RUB 950 million/year**
- CO₂ emissions reduction by **270 thousand t/year**

Source: WGC-2 data

Key Projects under WGC-2 CSA

	Novocherkassk SDPS Only project of circulating fluidized bed in Russia	Troitsk SDPS Construction of new coal-fired power generating unit with high capacity	Cherepovets SDPS Regional power deficit reduction
			
Power unit capacity	300 MW	660 MW	420 MW
New jobs	200 people	350 people	200 people
Growth of tax receipts	RUB 500 million/year	RUB 950 million/year	RUB 530 million/year
CO ₂ emissions reduction	90 thousand t/year	270 thousand t/year	480 thousand t/year

Key Projects under WGC-2 CSA

	Kirishi SDPS Addition of 2 gas turbines; power generating unit is most powerful	Adler CHPS Heat and power for sports events of 2014	Serov SDPS Replacement of outdated equipment
			
Power unit capacity	800 MW	360 MW	330 MW
New jobs	150 people	200 people	200 people
Growth of tax receipts	RUB 420 million/year	RUB 490 million/year	RUB 500 million/year
CO ₂ emissions reduction	950 thousand t/year	380 thousand t/year	90 thousand t/year

Additional Share Issue

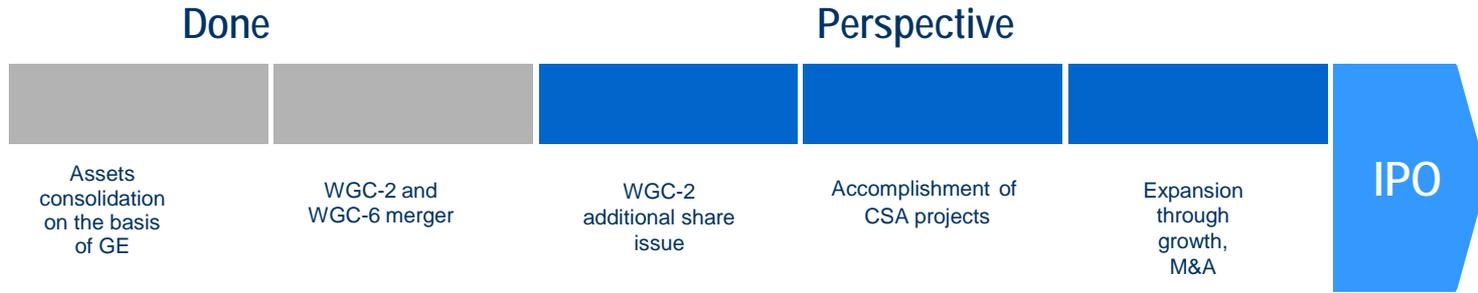
Grounds	Effects
<ul style="list-style-type: none"> ▪ In 2012-2014 the Company will participate in implementation of some large-scale CSA projects with financing volume of around RUB 80 billion ▪ The Company may need up to RUB 20 billion of additional share capital to implement the investment program under CSA ▪ CSA projects are constructed simultaneously ▪ Delay in CSA projects construction supposes penalty costs 	<ul style="list-style-type: none"> ▪ New equipment under CSA should ensure about 40% of proceeds and over 70% of the net profit to be received by WGC-2 by 2017 ▪ CSA projects have guaranteed payback ▪ Growing efficiency of power production and sales ▪ Creation of new jobs ▪ Net profit margin growth

Source: Gazprom's data

Gazprom

Energoholding (GE)

is a blue chip
company with
growth potential



Results:

- Creation of a competitor for global power industry leaders
- Replacement of non-effective capacities with new technologically reliable capacities
- Possibility to enter European and Asian markets

Source: Gazprom's data

THANK YOU FOR YOUR ATTENTION!