The Russian Direct Investment Fund is a $10 billion fund established to make equity investments primarily in the Russian economy.

RDIF was created in 2011 under the leadership of the President and Prime Minister of Russia to co-invest alongside top global investors, acting as a catalyst for direct investment in Russia. RDIF and its co-investors invested and committed over $7 billion to this end, of which RDIF alone invested $1.3 billion, while over $6 billion came from leading international co-investment partners.

RDIF also attracted over $15 billion of foreign capital into the Russian economy through long-term strategic partnerships.
POTENTIAL FOR THE DEVELOPMENT OF THE GAS INDUSTRY IN RUSSIA
RUSSIA IS A GLOBAL LEADER IN PROVEN GAS RESERVES

Reserves of gas fields amount to 23% of global reserves. The majority of reserves (over 60%) are concentrated in Western Siberia. Given the current annual consumption volumes, Russia has enough gas for the next 100 years.

Currently, reserves located in Eastern Siberia and the Continental Shelf are being gradually developed. The resource base for the production of natural gas is reliable and sufficient for meeting both domestic needs and export commitments.

Russia is the number one country by natural gas reserves. Iran is in second place, with a raw material base about half the size of Russia’s reserve base. However, Russia is behind the USA in the production of natural gas (both in gross production and, in the past few years, in commercial production).

Source: Russian Ministry of Energy, Eni, BP World Energy Outlook
ALLOCATION OF GAS RESERVES BY CONSTITUENT ENTITIES OF THE RUSSIAN FEDERATION BY OIL AND GAS BASIN

<table>
<thead>
<tr>
<th>Geographical Region</th>
<th>Gas Reserves tln m$^3$</th>
</tr>
</thead>
<tbody>
<tr>
<td>West-Siberian</td>
<td>46,6</td>
</tr>
<tr>
<td>Volga-Urals</td>
<td>1,1</td>
</tr>
<tr>
<td>North-Caucuses</td>
<td>1,1</td>
</tr>
<tr>
<td>Mangyshlak</td>
<td>1,46</td>
</tr>
<tr>
<td>Caspian</td>
<td>4,7</td>
</tr>
<tr>
<td>East-Barents</td>
<td>4,7</td>
</tr>
<tr>
<td>Leno-Tunguska</td>
<td>7,3</td>
</tr>
<tr>
<td>Okhotsk</td>
<td>1,9</td>
</tr>
<tr>
<td>Others</td>
<td>1,46</td>
</tr>
</tbody>
</table>

0,1-4 tln m$^3$ | 4-10 tln m$^3$ | more than 10 tln m$^3$

Source: Mineral Information and Analytical Center
According to legislation, Gazprom currently holds the exclusive rights to natural gas exportation from Russia.

Liquefied Natural Gas (LNG) is an exception; Gazprom’s exclusive rights to LNG exports were cancelled in late 2013.

Aside from Gazprom, the LNG export license is available to NOVATEK, the largest independent gas producer in Russia involved in Yamal-LNG project implementation.

Taking into account the structure of the global demand for natural gas, one of the key markets for Russian gas in the long run could be the Asia-Pacific Region and China in particular.

Source: Gazprom
DYNAMICS AND STRUCTURE OF GLOBAL NATURAL GAS DEMAND

North America

- 26%
- 22%

Central and South America

- 5%
- 5%

Europe (OECD)

- 15%
- 13%

Africa

- 3%
- 4%

Eurasia (non-OECD)

- 20%
- 17%

Middle East

- 12%
- 14%

China

- 19%
- 25%

Source: Gazprom
Almost 80% of oil companies’ gas production is associated petroleum gas.

Currently the efficient utilization coefficient of APG amounts to 75% on average.

One of the main tasks the industry faces is to increase in the efficient utilization of associated petroleum gas (APG) to 95% by 2015.

The highest APG utilization efficiency (99.5%) is at the Yuri Korchagin field (Caspian Sea) (LUKOIL).

### Production of associated gas, 2013, bln m³

<table>
<thead>
<tr>
<th>Company</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lukoil</td>
<td>9,1</td>
</tr>
<tr>
<td>Rosneft</td>
<td>21,3</td>
</tr>
<tr>
<td>Gazprom Neft</td>
<td>5,4</td>
</tr>
<tr>
<td>Sugreftneftegas</td>
<td>12,1</td>
</tr>
<tr>
<td>Tatneft</td>
<td>0,9</td>
</tr>
<tr>
<td>Bashneft</td>
<td>0,4</td>
</tr>
<tr>
<td>Slavneft</td>
<td>0,8</td>
</tr>
<tr>
<td>Russneft</td>
<td>1,2</td>
</tr>
<tr>
<td>Gazprom</td>
<td>1,3</td>
</tr>
<tr>
<td>Novatek</td>
<td>0,3</td>
</tr>
<tr>
<td>Independent companies</td>
<td>3,5</td>
</tr>
<tr>
<td>PSA operators</td>
<td>2,3</td>
</tr>
<tr>
<td>Independent companies</td>
<td>3,5</td>
</tr>
</tbody>
</table>

Source: Russian Ministry of Energy
RATIO OF EFFICIENT APG UTILIZATION

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>75.6</td>
</tr>
<tr>
<td>2007</td>
<td>72.6</td>
</tr>
<tr>
<td>2008</td>
<td>75.9</td>
</tr>
<tr>
<td>2009</td>
<td>78.0</td>
</tr>
<tr>
<td>2010</td>
<td>76.3</td>
</tr>
<tr>
<td>2011</td>
<td>75.5</td>
</tr>
<tr>
<td>2012</td>
<td>76.2</td>
</tr>
<tr>
<td>2013</td>
<td>78.8</td>
</tr>
</tbody>
</table>

Source: Russian Ministry of Energy
INDUSTRY STRUCTURE
WORLD’S LARGEST GAS COMPANIES (BY VOLUME OF RESERVES)

<table>
<thead>
<tr>
<th>Company</th>
<th>Volume (tln m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gazprom</td>
<td>35.7</td>
</tr>
<tr>
<td>PetroChina</td>
<td>29.6</td>
</tr>
<tr>
<td>Rosneft</td>
<td>1.74</td>
</tr>
<tr>
<td>Novatek</td>
<td>1.74</td>
</tr>
<tr>
<td>Royal Dutch Shell</td>
<td>1.3</td>
</tr>
<tr>
<td>Exxon Mobil</td>
<td>2.09</td>
</tr>
<tr>
<td>Chevron</td>
<td>1.2</td>
</tr>
<tr>
<td>National Iranian Oil Co</td>
<td>1.9</td>
</tr>
<tr>
<td>Pemex</td>
<td>0.5</td>
</tr>
<tr>
<td>Saudi Aramco</td>
<td>8.1</td>
</tr>
<tr>
<td>Kuwait Petroleum Company</td>
<td>1.8</td>
</tr>
<tr>
<td>Kuwait Petroleum Company</td>
<td>1.8</td>
</tr>
<tr>
<td>UK Petroleum</td>
<td>1.8</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>1.8</td>
</tr>
<tr>
<td>Remex</td>
<td>0.8</td>
</tr>
</tbody>
</table>

Source: Company data
RUSSIAN GAS PRODUCTION STRUCTURE
2013, % of total volume produced

- Gazprom: 71.3%
- Vertically Integrated Oil Companies: 11.4%
- PSA operators: 4.1%
- Novatek: 7.9%
- Independent companies: 5.3%

Source: Russian Ministry of Energy
INDUSTRY STRUCTURE

GASPRM IS THE LARGEST RUSSIAN GAS COMPANY

Gazprom’s share of global gas reserves, 2013, %

71.3%

Gazprom’s share of Russian natural gas processing in 2013

487.4 bln m³

Gas production by Gazprom Group in 2013

Source: Gazprom
OTHER MAJOR RUSSIAN GAS PRODUCERS
ranking by production volume, tln m³, excl. Gazprom

- Novatek: 51.1 (2013), 53.0 (2012)
- Russneft: 1.5 (2013), 1.6 (2012)
- Tatneft: 0.9 (2013), 0.9 (2012)
- Slavneft: 0.8 (2013), 0.8 (2012)
- Bashneft: 0.4 (2013), 0.5 (2012)

Source: Russian Ministry of Energy, Mineral Information and Analytical Center
GAS TRANSPORTATION
GAS TRANSPORTATION

Russian gas, both for domestic and export purposes, is mainly transported via pipelines.

Russia has the world’s largest system of high pressure main gas pipelines, which are integrated into a unified gas supply system (UGSS).

The total length of the main pipelines amounts to over 160,000 km.

The UGSS is run by Gazprom Group and also includes all underground gas storage units. The active capacity of underground gas storage units (UGS) in Russia is 70.4 bln m$^3$.

The share of tanker transportation of liquefied natural gas is gradually increasing, but is currently not high. Gazprom tanker fleet capacity – 800,000 m$^3$.

Source: Gazprom
TRANSPORTATION OF GAS FROM INDEPENDENT PRODUCERS VIA THE UNIFIED GAS SUPPLY SYSTEM
2008-2013, bln m3

<table>
<thead>
<tr>
<th>Year</th>
<th>Transportation (bln m3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>111,2</td>
</tr>
<tr>
<td>2009</td>
<td>59,3</td>
</tr>
<tr>
<td>2010</td>
<td>64,5</td>
</tr>
<tr>
<td>2011</td>
<td>72,8</td>
</tr>
<tr>
<td>2012</td>
<td>87,0</td>
</tr>
<tr>
<td>2013</td>
<td>104,3</td>
</tr>
</tbody>
</table>

Source: Gazprom
## RUSSIAN GAS TRANSPORTATION SYSTEM

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of main gas pipelines and bends</td>
<td>168.9 K km</td>
</tr>
<tr>
<td>247 compressor plants</td>
<td></td>
</tr>
<tr>
<td>With capacity of</td>
<td></td>
</tr>
<tr>
<td>45.9 mln kW</td>
<td></td>
</tr>
<tr>
<td>Active capacity of</td>
<td></td>
</tr>
<tr>
<td>Underground gas storage units in Russia</td>
<td>70.4 bln m³</td>
</tr>
<tr>
<td>In 2013</td>
<td></td>
</tr>
<tr>
<td>Of new main gas pipelines and bends were commissioned</td>
<td>700 km</td>
</tr>
<tr>
<td>Average gas transportation length for domestic consumption</td>
<td>2.6 K km</td>
</tr>
<tr>
<td>for export supplies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3.3 K km</td>
</tr>
</tbody>
</table>

Source: Gazprom
EASTWARDS RUSSIAN GAS TRANSPORTATION SYSTEM DEVELOPMENT

Source: Gazprom
KEY RUSSIAN GAS CONSUMPTIONS
**4.1 DOMESTIC CONSUMPTION**

Structure of domestic gas consumption in Russia, 2013, %

- Electric Power: 27%
- General Public: 21%
- Municipal Complex: 15%
- Agrochemicals: 8%
- Metallurgy: 4%
- Cement Industry: 3%
- Other: 22%

Share of domestic consumption in the overall supply structure amounts to 66.1% - 456.2 bln m³.

Currently, natural gas accounts for about half of the primary energy resources consumption structure in Russia.

The proportion of gas as fuel for the power industry, accounting for about 40% of total gas consumption, is particularly high.

The general population accounts for about one fifth of the consumption. Industry accounts for another third where the largest consumption sectors are metallurgy and the fertilizer industry.

Source: Russian Ministry of Energy, Gazprom
STRUCTURE OF GAS SUPPLIES

2012

655 bln m³

32,3% Foreign market
37,3% Industrial and municipal sector
6% Domestic market
24,4% UES of Russia
6% UGSS technical needs

2013

668 bln m³

33,9% Foreign market
36,6% Industrial and municipal sector
5,9% Domestic market
23,6% UES of Russia
66,1% UGSS technical needs

Source: Russian Ministry of Energy
Gas exports in 2013 amounted to 220.9 bln m$^3$, accounting for 33.9% of total supplies.

Leading buyers of Russian gas abroad are Germany, Turkey and Italy. The Asia-Pacific region is among the key promising sales markets in view of the rapid growth in gas consumption.

In May 2014, Gazprom and China National Petroleum Corporation signed the agreement for the supply of Russian pipeline gas to China. The 30-year agreement, totaling $400 bln, accounts for the export of about 1 trillion m$^3$ of gas to China via the “Sila Sibiri” gas transportation system.

Gazprom accounts for about 5% of global LNG production. The Company supplies LNG to ten countries: Japan, Korea, China, India, Taiwan, UK, USA, Kuwait, UAE and Mexico.

Source: Russian Ministry of Energy, Gazprom
RUSSIAN GAS EXPORT BY KEY IMPORTER COUNTRIES

2013 г., bln m³

Germany - 41
Czech Republic - 7.9
Hungary - 6.0
China - 2.7
Japan - 3.9

Great Britain - 16.6
Poland - 12.9
Finland - 3.5
Slovakia - 5.5
India - 2.3

Italy - 25.3
Austria - 5.2
Turkey - 26.7

Natural gas exports
LNG exports

Source: Gazprom
WHY RUSSIA
- Key facts about the Russian economy. Russia’s global ranking in different areas.

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