Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2009 and 2008

The following discussion is intended to assist you in understanding of JSC Gazprom Neft's financial position as of March 31, 2009 and results of operations for the three months ended March 31, 2009 and 2008 and should be read in conjunction with the Interim Condensed Consolidated Financial Statements and notes thereto, which were prepared in accordance with accounting principles generally accepted in the United States of America.

Such terms as "Gazprom Neft", "Company" and "Group" in their different forms in this report represent JSC Gazprom Neft and its consolidated subsidiaries and affiliated companies. This report represents JSC Gazprom Neft's financial condition and results of operations on a consolidated basis.

Tonnes of crude oil produced are translated into barrels using conversion rates reflecting oil density from each of our oil fields. Crude oil purchased as well as other operational indicators expressed in barrels are translated into barrels using a conversion rate of 7.33 barrels per tonne. Translations of cubic meters to cubic feet were made at the rate of 35.31 cubic feet per cubic meter. Translations of barrels of crude oil into barrels of oil equivalent ("BOE") were made at the rate of 1 barrel per BOE and of cubic feet into BOE at the rate of 6 thousand cubic feet per BOE.

Forward-Looking Statements

This discussion contains forward-looking statements concerning the financial condition, results of operations and businesses of Gazprom Neft and its consolidated subsidiaries. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.

Forward-looking statements include, among other things, statements concerning the potential exposure of Gazprom Neft to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as ''anticipate'', ''believe'', ''could'', ''estimate'', ''expect'', ''intend'', ''may'', ''plan'', ''objectives'', ''outlook'', ''probably'', ''project'', ''will'', ''seek'', ''target'', ''risks'', ''goals'', ''should'' and similar terms and phrases. There are a number of factors that could affect the future operations of Gazprom Neft and could cause those results to differ materially from those expressed in the forward-looking statements included in this Report, inclusively (without limitation): (a) price fluctuations in crude oil and gas; (b) changes in demand for the Company's products; (c) currency fluctuations; (d) drilling and production results; (e) reserve estimates; (f) loss of market and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) economic and financial market conditions in various countries and regions; (j) political risks, project delay or advancement, approvals and cost estimates; and (k) changes in trading conditions.

All forward-looking statements contained in this discussion are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on these forward-looking statements. Each forward-looking statement speaks only as of the date of this discussion. Neither Gazprom Neft nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information.

Overview

JSC Gazprom Neft and its subsidiaries (the "Company") is a vertically integrated oil company operating in Russia, CIS and Europe. The Company's activities include the exploration, production and development of crude oil and gas, the production of refined petroleum products and distribution and marketing operations through its retail outlets.

The Company is engaged in the exploration, development and production of crude oil and gas principally through fields located in the Yamal-Nenetsky and Khanti-Mansiysky autonomous districts of Western Siberia, Omsk and Tomsk regions and Chukotka.

Gazprom Neft owns 49.9% of JSC Slavneft ("Slavneft") and 50.0% of JSC Tomskneft VNK ("Tomskneft"), which develop crude oil and gas in the Urals and Siberian Federal District. The Company accounts for Slavneft and Tomskneft as equity investees and purchases, at agreed-upon prices, their related crude oil production in proportion to the Company's share in each investee.

Gazprom Neft's primary oil refinery is JSC Omsk Refinery ("Omsk Refinery") in South-western Siberia. Omsk Refinery is the Russia's second largest refinery, and is also among the most technologically advanced in the country. The Company also has a 50.0% interest in Moscow NPZ Holdings B.V., which holds 77.25% stake in JSC Moscow Oil Refinery ("Moscow Refinery"), and access to JSC Yaroslavl Refinery ("Yaroslavl Refinery"), which is owned by Slavneft. The Company has access to both of these refineries' processing capacities in proportion to its equity interest in each affiliated company. The Company's crude oil is processed at these refineries based on tolling agreements.

The Company has a 51.0% interest in the Serbian oil company Naftna Industrija Srbije (''NIS''). NIS is one of the largest vertically integrated oil companies in Central Europe. NIS produces hydrocarbons in Serbia and holds a minority share in PSA Angola, refines oil and sells oil products. Production is approximately 0.6 million tonnes of oil per year. The company owns refineries in Pancevo and Novi Sad with an installed capacity of 7.2 million tonnes. NIS has its own distribution chain of petroleum storage depots and about 480 petrol and gas stations. A leading supplier of oil products in the Serbian market, NIS produces about 85% of all domestically consumed oil products.

Gazprom Neft distributes its refined petroleum products within Russia and CIS primarily through its own subsidiaries. Export trade is conducted through a wholly owned subsidiary Gazprom Neft Trading GmbH, which operates as a trader for the Company's crude oil and refined petroleum products export sales.

Key Financial and Operating Results

	For the three months ended March 31		Change %
	2009	2008	
Revenues (US$ million)	4,185	8,045	(48.0)
EBITDA (US$ million)	942	2,026	(53.5)
Crude oil production including our share of equity investees (millions of barrels)	80.5	83.0	(3.0)
Refining throughput at own and equity investee refineries (millions of tonnes)	7.5	6.6	13.6

Operating Segments

The Company's activities are divided into two main operating segments:

- Exploration and production segment– which includes exploration, development and production of crude oil and gas.
- Refining, Marketing and Distribution – which includes refining of crude oil, purchases, sales and transportation of crude oil and refined petroleum products.

The activities above are primarily located within Russia with additional activities in Serbia, Kazakhstan, Kirgizstan and Tajikistan.

These segments are interdependent; a portion of the revenues of one segment forms a part of the costs of the other segment. In particular, JSC Gazprom Neft, as a holding company, buys crude oil from its production subsidiaries, part of which is processed at the Company's refinery and other refineries; the remaining production is primarily exported through a wholly owned export trading company. The refined petroleum products are then distributed in the international or domestic markets through the Company's own marketing subsidiaries. In most cases it is difficult to determine market prices for crude oil in the domestic market due to the significant intragroup turnover within the vertically integrated oil companies. The prices set for intragroup purchases of crude oil reflects a combination of market factors such as international crude oil prices, transportation costs, the cost of crude oil refining, capital investment requirements of the individual upstream subsidiaries and other factors. Accordingly, the results of operations of these segments on a stand-alone basis do not necessarily represent each segment's underlying financial position and results of operations. For this reason, we do not analyze our segments separately. Refer to financial data by operating segments in Note 12 to the Interim Condensed Consolidated Financial Statements.

Acquisitions and Changes in the Company's Structure

Sibir Energy shares

During April and May 2009, Gazprom Neft acquired 27.5% of ordinary shares of Sibir Energy plc for £ 526 million (approximately US$ 711 million). On May 26, 2009 Gazprom Neft made an offer to acquire the entire issued and to be issued share capital of Sibir Energy for £ 5.00 per share (approximately US$ 8.00 per share), excluding, inter alia, shares legally and beneficially owned by or on behalf of Gazprom Neft and shares legally and beneficially owned by certain other shareholders including Bennfield Limited, Central Fuel Company and the Bank of Moscow. The offer expired on June 17, 2009 resulting in the Company acquiring an additional 6.01%. As of June 17, 2009 the Company' total ownership in Sibir Energy is approximately 33.55%.

Sibir Energy operates in two main segments of the oil sector: exploration and production, and refining and marketing. Its upstream business is comprised of a 50% stake in a joint venture with Royal Dutch Shell, Salym Petroleum Development (SPD), a 95% share in Magma (Yuzhnoe and Orekhovskoye fields) and the Koltogorsky exploration blocks. The Company has a venture with Gazprom Neft to jointly operate the Moscow Refinery. Refined products are distributed in Moscow and the surrounding region through its own network of 133 petrol stations.

Naftna Industrija Srbije

In February 2009 JSC Gazprom Neft completed the acquisition of 51% interest in the Serbian oil company Naftna Industrija Srbije (''NIS'') at a price of € 400 million. The purchase agreement also provides for the reconstruction and upgrading of NIS refining facilities by 2012; this investment will amount to € 547 million. As part of the upgrade, measures will be taken to improve the quality of produced oil products to ensure that they meet European standards (Euro-5). The Company's aim is to enhance the efficiency of NIS and transform it into an oil industry leader in South-east Europe.

Chevron Italia S.p.A. brand in Bari (Italy)

JSC Gazprom Neft acquired 100% of oils and lubricants producing facility in Bari (Italy) from Chevron Global Energy. The facility's productive capacity includes 30 thousand tonnes of oils and 6 tonnes of lubricants annually. The production range includes 150 type of oils used in cars and commercial transport as well as oils meant for industrial use. Production capacity also allows for production of 25 different special high-technology lubricants used particularly in the course of drilling operations. In accordance with technological agreement, Chevron Global Energy hands over a license on technical data and patent rights for 2 years on "Texaco" brand in Italy to LLC Gazprom Neft – Lubricants. Products manufactured at the facility with "Gazprom neft" trade mark will be realized both in Italian and Russian markets.

Main Macroeconomic Factors Affecting Results of Operations

The main factors affecting the Company's results of operations include:

- Changes in market prices of crude oil and petroleum products;
- Russian Ruble ("RR") exchange rate versus the US Dollar ("USD") and Inflation;
- Taxation;
- Changes in transportation tariffs of crude oil and petroleum products.

Changes in Market Prices of Crude Oil and Petroleum Products

The prices of crude oil and petroleum products in the international and Russian markets are the primary driver of the Company's results of operations. In the first quarter of 2009, Brent crude oil price grew from US$ 40.04 per barrel in the beginning of January 2009 to US$ 46.52 at the end of March 2009.

During 2008, Brent crude oil price inreased from average of US$ 92.00 per barrel in January 2008 to its historical high US$ 144.22 in July 2008, and then collapsed to US$ 36.55 at the end of December 2008. In the first half of 2008, the price growth was driven by financial market fluctuations and weakening US dollar. In the second half of 2008 global money supply decrease and falling demand for crude oil and oil products caused crude oil price fall to a four year low. In the first quarter of 2009 crude oil prices stabilized around US$ 45 per barrel.

The following table provides information on average crude oil and petroleum products prices in the international and domestic markets during the periods analyzed:

	For the three months ended March 31		Change %
	2009	2008	
International market	(in US$ per barrel, except for figures in percent)		
Brent	44.46	96.80	(54.1)
Urals Spot (average Med. + NWE)	43.69	93.23	(53.1)
	(in US$ per tonne, except for figures in percent)		
Premium gasoline (average NWE)	409.96	841.98	(51.3)
Naphtha (average Med. + NWE)	374.99	831.68	(54.9)
Diesel fuel (average NWE)	439.03	898.93	(51.2)
Gasoil 0.2% (average Med. + NWE)	402.37	878.57	(54.2)
Fuel oil 3.5% (average NWE)	223.79	436.22	(48.7)
Domestic market*	(in US$ per tonne, except for figures in percent)		
High-octane gasoline	438.34	809.21	(45.8)
Low-octane gasoline	343.55	660.79	(48.0)
Diesel fuel	395.68	721.64	(45.2)
Fuel oil	120.75	257.75	(53.2)

Source: Platts (international market) and Kortes (domestic market). * Domestic prices net of VAT.

Ruble vs. US Dollar Exchange Rate and Inflation

A substantial part of the Company's revenues from sales of crude oil and petroleum products is denominated in US Dollars, while most of the expenses are settled in Russian Rubles. Accordingly, any real Ruble appreciation to the US Dollar negatively affects the results of the Company's operations, though this fact is partially offset by Ruble denominated revenue from sales in Russia. In the first quarter of 2009 Ruble depreciated against the US Dollar in real and nominal terms, which positively affected the Company's margins. However in the first quarter of 2008 Ruble appreciated against the US Dollar in real and nominal terms. In order to mitigate the effects of fluctuation in Ruble – US Dollar exchange rate, in April 2008 the Company began using derivative instruments

The following table comprises the information on exchange rate movements and inflation during the periods analyzed:

	For the three months ended March 31	
	2009	2008
Inflation (CPI), %	5.40	4.80
Ruble/US dollar exchange rate as of the end of the period	34.01	23.52
Average Ruble/US dollar exchange rate for the period	33.93	24.26
Real (depreciation) appreciation of the Ruble against the US dollar, %	(9.0)	9.4

Source: the Central Bank of the Russian Federation, the Federal State Statistics Service.

Taxation

The following table provides information on average enacted tax rates specific to the oil and gas industry in Russia for the periods indicated:

	For the three months ended March 31		Change %
	2009	2008	
Export customs duty			
Crude oil (US$ per tonne)	112.13	313.91	(64.3)
Crude oil (US$ per barrel)	15.30	42.83	(64.3)
Light and middle distillates products (US$ per tonne)	87.88	223.78	(60.7)
Fuel oil (US$ per tonne)	47.33	120.58	(60.7)
Mineral extraction tax			
Crude oil (RUR per tonne)	1,542.89	3, 306.42	(53.3)
Crude oil (US$ per barrel)	6.20	18.59	(66.6)
Natural gas (RUR per 1000 cm)	147.00	147.00	-

Crude oil export customs duty rate. Export custom duty rate per tonne of crude oil is enacted by the Government of the Russian Federation based on the average Urals prices, referred to as the monitoring period. The monitoring period comprises two months starting from November 1, 2001. The rate is effective of the first day of the second month after the monitoring period. In December 2008 the Government approved as amended the new mechanism: export custom duty rate is revised monthly according to data provided by monitoring of the world crude oil price.

The Government determines the export custom duty rate, which is dependent on the average Urals price for the monitoring period according to the following table:

Quoted Urals price (P), USD per tonne	Maximum Export Custom Duty Rate
0 – 109.50	0%
109.50 – 146.00	35.0% * (P - 109.50)
146.00 – 182.50	USD 12.78 + 45.0% * (P - 146.00)
>182.50	USD 29.20 + 65.0% * (P - 182.50)

The export customs duty on crude oil decreased by 64.3% in the first quarter of 2009 to US$ 112.13 per tonne (US$ 15.30 per barrel) from US$ 313.91 per tonne (US$ 42,83 per barrel) in the first quarter of 2008. The reduction in this period was associated primarily with the decrease in average Urals price by 53.1% compare to the first quarter of 2008 .

Export customs duty rate on petroleum products. Export custom duty rate on oil products is determined by the Government based on the prices for crude on international markets separately for light and middle distillates and for fuel oil.

Crude oil mineral extraction tax rate. Starting from January 1, 2007 mineral extraction tax rate on crude oil (R) is determined based on the formula R = 419 * (P – 9) * D/261 where P - is the average monthly Urals oil price on Rotterdam and Mediterranean markets (US$/bbl) and D - is the RUR/US$ average exchange rate for the month.

In case of the depletion, which is determined as the accumulated volume of crude produced from the field (N) divided by the total volume of reserves (V = A + B + C1 + C2, as determined by Russian Resources Classification), equals or exceeds 80%, there is a special ratio (C) added to the formula (419 * (P – 9) * D/261* C), where C = -3.5 * N/V + 3.8. This adjustment provides a reduction of the tax payable in accordance with the formula provided above by 3.5% for every 1% of depletion over 80%.

Because of the current economic downturn, starting from September 2008, the Government revised the calculation of mineral extraction tax on crude oil described above. Effective from January 1, 2009 the Urals crude oil price used in the formula above will increase from US$9 per barrel to US$ 15 per barrel. This change in the tax rate will lead to reduction of the Company's mineral extraction tax payments.

In the first quarter of 2009 mineral extraction tax rate on crude oil decreased by 66.6% to US$ 6.20 per barrel primarily due to a 53.1% decrease in average Urals price as compared to the first quarter of 2008.

Natural gas mineral extraction tax rate. The rate of mineral extraction tax for natural gas has remained stable since January 1, 2006 and equals 147.00 Rubles per thousand cubic meters of natural gas.

Transportation of Crude Oil and Petroleum Products

Gazprom Neft transports its crude oil for export primarily through Russia's state-owned pipeline system, which is operated by JSC Transneft ("Transneft"). Access to this pipeline system in accordance with Russian legislation is regulated by the Russian Ministry of Industry and Energy. Capacity of the pipeline network system is generally allocated among all users in proportion to their quarterly supply volumes to the system and on the basis of their requests. Pursuant to the Natural Monopolies Law, pipeline terminal access rights are allocated among oil producers and their parent companies in proportion to the volumes of oil produced and delivered to the Transneft pipeline system (and not in proportion only to oil production volumes).

The Federal Energy Agency currently approves quarterly schedules detailing the precise volumes of oil each producer can pump through the Transneft system. Once the access rights are allocated, oil producers generally cannot increase their allotted capacity in the export pipeline system, although they have limited flexibility in altering delivery routes. Oil producers are generally allowed to assign their access rights to others. Alternative access to international markets bypassing Transneft export routes can be obtained through railroad transport, by tankers, and by own export infrastructure of oil producing companies.

Most of the oil produced by the Company is classified as ''Siberian Light'' crude or "SILCO" and has sub-average density of 34.20 degrees API or 830-850 kg/cm and sub-average sulfur content of 0.56% compared to average Russian crude oil. When not blended with other Russian crude oil, crude oil produced by the Company might be sold with a premium over the Urals blend. This advantage, however, is generally lost because crude oil produced by the Company is blended with crude oil belonging to other Russian companies when transported through the trunk pipeline system.

The Company exports SILCO through Tuapse, where the delivery is made through a special pipeline for this type of crude oil.

In the first quarter of 2009 the Company shipped 47.6% of crude oil for export through Baltic Sea ports (mainly Primorsk); 18.4% of crude oil was exported through Transneft's Druzhba pipeline (mainly to Germany, Poland and Slovakia); 29.0% of crude oil shipped from various Black Sea ports Novorossiysk, Tuapse and the Ukrainian port Yuzhniy and 5.0% of crude oil was exported to China via transit pipeline through Kazakhstan.

Transportation of refined products in Russia is performed by railway transport and the pipeline system of OJSC Transnefteproduct. Russian railway infrastructure is owned and operated by JSC Russian Railways. Both these companies are state-owned. Besides transportation of refined products, JSC Russian Railways provides oil companies with crude oil transportation services. We transport the major part of our refined products by railway transport.

The transportation tariff policies are defined by the state authorities to ensure the balance of interests of the state and all participants in the transportation process. Transportation tariffs of natural monopolies are set by the Federal Tariffs Service of the Russian Federation ("FTS"). The tariffs are dependent on transport destination, delivery volume, distance of transportation, and several other factors. Changes in the tariffs depend on inflation forecasts by the Ministry of Economic Development of the Russian Federation, the investment needs of owners of transport infrastructure, other macroeconomic factors, and compensation of economically reasonable expenses, incurred by entities of natural monopolies. Tariffs are to be revised by FTS at least annually, comprising a dispatch tariff, loading, transshipment, pumping and other tariffs.

The main Russian crude oil production regions are remote from the main crude oil and refined products markets. Therefore, access of crude oil production companies to the markets is dependent on the extent of diversification of transport infrastructure and access to it. As a result, transportation cost is an important macroeconomic factor affecting our results.

<u>Production of Crude Oil, Gas and Petroleum Products</u>

Crude Oil Production

Gazprom Neft is engaged in the exploration, development and production of crude oil and gas principally through fields located in the Yamal-Nenetsky and Khanti-Mansiysky autonomous districts, the Omsk, Tomsk, Tumen and Irkutsk regions and the Chukotka autonomous district.

The Company's crude oil production activity has been primarily undertaken by three of its operating subsidiaries, JSC Gazpromneft-Noyabrskneftegaz (Noyabrskneftegaz), Gazpromneft-Khantos LLC (Khantos) and Gazpromneft-Vostok LLC (Vostok). During 2007 the Company created two new operating subsidiaries: Gazpromneft-Yamal LLC (Yamal) for exploration and development of JSC Gazprom's oil fields (the Company's primary shareholder) and Gazpromneft-Angara LLC (Angara) for exploration and development of the Company's new crude oil fields in the Eastern Siberia.

Noyabrskneftegaz, the primary Gazprom Neft production subsidiary, operates about 30 fields in the Yamal-Nenetsky and Khanti-Mansiysky autonomous districts, which account for 58% of the Company's total proved reserves based on PRMS classification. Additionally, it provides operating services to other Company's production subsidiaries such as JSC Meretoyakhaneftegaz ("Meretoyakhaneftegaz"), Sibneft-Chukotka LLC ("Sibneft-Chukotka") and recently acquired subsidiaries: Pechora Neftegaz LLC, NGP Ortjagynskoe LLC. Meretoyakhaneftegaz, of which the Company owns a 67% interest, has a license for the Meretoyakhinskoye field in the north of the Noyabrsk region.

Khantos produces crude oil from Zimnee field in the Khanti-Mansiysky autonomous district and Tumen region and provides operating services for Sibneft-Yugra LLC ("Sibneft-Yugra"). Sibneft-Yugra, of which the Company owns a 99% interest, has production licenses for two fields: Priobskoye and Palyanovskoye in the Khanti-Mansiysky autonomous district. Priobskoye field is one of the Company's largest and most prospective oil fields. Its active development began in 2004 and just three years later, in 2007, the field already produced over 19% of the Company's total production excluding share in equity investees. Priobskoye field is a key asset with a strategic role in the Company's future development opportunities and is expected to become the Company's primary source of crude oil production growth over the long-term.

Vostok operates Krapivinskoye field in Omsk region and Archinskoye, Shinginskoye and Urmanskoye fields in Tomsk region. All those fields form a new production center with a yearly increase in crude oil output.

NIS Exploration and Production division produces crude oil and natural gas in Serbia, as well as in Angola under several concession-type contracts. Crude oil produced in Serbia is primarily sent to NIS's Refining division.

Slavneft, which Gazprom Neft and TNK-BP own on an equal interest, develops reserves in the Urals federal district and conducts exploration in the Siberian Federal district.

Tomskneft which Gazprom Neft and Rosneft own an equal interest holds licenses for the development of fields in the Tomsk region and Khanty-Mansiysky autonomous district.

The following table represents the Company's production for the periods indicated:

	For the three months ended March 31		Change %
(millions of barrels)	2009	2008	
Crude oil produced in Russia	53.1	58.2	(8.8)
Crude oil produced internationally	0.7	-	-
Company's share in production of equity investees	26.7	24.8	7.7
Total crude oil production	80.5	83.0	(3.0)

In the first quarter of 2009 the Company's crude oil production in Russia decreased by 8.8% to 53.1 million barrels (7.3 million tonnes) compared to 58.2 million barrels (7.8 million tonnes) in the first quarter of 2008. The reduction in this period was primarily a result of a decrease in output at Noyabrskneftegaz, which was partially offset by an increase in production in new fields such as Priobskoye and certain fields in Tomsk and Omsk regions.

In the first quarter of 2009 the Company's crude oil produced internationally was 0.7 million barrels (0.1 million tonnes) due to the acquisition of our 51% interest in Naftna Industrija Srbije (''NIS'') in February 2009.

In the first quarter of 2009 the Company's production of crude oil including share in equity investees decreased by 3.0% to 80.5 million barrels (11.0 million tonnes) compared to 83.0 million barrels (11.2 million tonnes) in the first quarter of 2008. The decrease besides reasons mentioned above was due to slight decline in production by Slavneft and Tomskneft.

The following table summarizes the Company's crude oil purchases for the periods indicated:

	For the three months ended March 31		Change %
(millions of barrels)	2009	2008	
Crude oil purchases in Russia*	7.2	2.5	188.0
Crude oil purchases internationally	3.5	4.5	(22.2)
Total crude oil purchases	10.7	7.0	52.9

* Crude oil purchases in Russia exclude purchases from Company's equity investees Slavneft and Tomskneft.

In the first quarter of 2009 the Company significantly increased the volumes of crude oil purchased in Russia was due to an increase in refined volumes and expansion in its trading activities.

Gas Production

The following table represents the Company's gas production for the periods indicated:

	For the three months ended March 31		Change %
(billions of cubic meters)	2009	2008	
Gas produced in Russia	0.6	0.5	20.0
Gas produced internationally	0.1	-	-
Company's share in production of equity investees	0.2	0.2	-
Total gas production	0.9	0.7	28.6
Gas purchased in Russia*	0.4	0.4	-

* Gas purchases in Russia exclude purchases from Company's equity investees Slavneft and Tomskneft.

In the first quarter of 2009 the Company produced in Russia 0.6 billions of cubic meters of associated and natural gas with an increase of 20.0% compared to the first quarter of 2008. This increase relates to the Company's program for the utilization of associated gas, which is described below. Gas produced internationally was 0.1 billions of cubic meters in the first quarter of 2009 as a result of the acquisition of our 51% interest in Naftna Industrija Srbije (''NIS'') in February 2009.

In the first quarter of 2009 total production of associated and natural gas including share in equity investees increased by 28.6% to 0.9 billions of cubic meters compared to the same period of 2008.

In February 2008, Gazprom Neft adopted a medium term program for the utilization of associated gas with the goal of increasing its efficient use, mitigating environmental and tax risks and increasing revenues from the sale of additional volumes of associated gas and its refined products. The Company plans to invest Rubles 1.1 billion (approximately US$ 32 million) to implement this program during 2009. In particular, the program provides for the construction of associated gas transportation facilities from the Ety-Purovskoye, Meretoyakhinskoye, Severo-Yangtinskoye, Chatylkinskoye, Kholmistoye, Yuzhno-Udmurtskoye, Ravninnoye, Vorgenskoye, Urmanskoye and Shinginskoye fields.

Production of Petroleum Products

The following table summarizes the Company's petroleum products production for the periods indicated:

	For the three months ended March 31		Change %
(millions of tonnes)	2009	2008	
Production of petroleum products in Russia	4.1	3.9	5.1
Production of petroleum products internationally	0.5	-	-
Production of petroleum products at equity refineries	2.4	2.3	4.3
Total production of petroleum products	7.0	6.2	12.9
Petroleum products purchases in Russia and CIS	0.3	0.2	50.0
Petroleum products purchases internationally	0.2	0.7	(71.4)
Total petroleum products purchases	0.5	0.9	(44.4)
Number of petrol stations in Russia	772	780	(1.0)
Number of petrol stations outside Russia	589	74	696.0
Total number of petrol stations	1,361	854	59.4

In the first quarter of 2009 the Company increased the volumes of refined petroleum products by 12.9% to 7.0 million tonnes from 6.2 million tonnes in the first quarter of 2008. The increase was primarily due the acquisition of our 51% interest in Naftna Industrija Srbije (''NIS'') in February 2009.

The Company processes domestic crude oil into refined products primarily at its Omsk Refinery, Moscow Refinery and Yaroslavl Refinery. Gazprom Neft owns the Omsk Refinery and has access to the Moscow Refinery and Yaroslavl Refinery in proportion of its equity interest. Gazprom Neft owns both the crude oil processed at these oil refineries and the products produced from refining and pays each refinery a fee for their processing services.

The NIS Refining division consists of Pancevo and Novi Sad refineries with capacity of 7.2 millions tonnes of crude oil processing per year including 5.2 million tonnes in Pancevo and 2 million tonnes in Novi Sad. The refineries process oil under tolling agreement whereby customers provide crude oil and necessary chemicals to refineries for processing and pay refining fee. The volume of tolling agreement is below 20% actual processing volumes.

The Company primarily markets its own crude oil and petroleum products for export through Gazprom Neft Trading GmbH, its trading subsidiary in Austria.

The Company's petroleum products are distributed within Russia primarily through 21 subsidiaries. Most of these subsidiaries are retail distribution companies engaged in wholesale distribution, providing petroleum oil products for Rosreserv or operate in the gas station retail markets. Gazprom Neft Aero JSC, Gazpromneft Smazochny materialy LLC and Gazprom Neft Marine Bunker LLC specialize in the sale of particular petroleum products.

NIS Distribution division operates the largest network of crude oil storages and 480 oil and gas retail stations and is a leading supplier of oil products in the Serbian market. NIS produces about 85% of all domestically consumed oil products.

The Company plans to increase the number of filling stations not only by expanding the retail network in its traditional regions and those with high demand, but also by actively entering into new, promising regions. Gazprom Neft is beginning to bring the filling stations to a uniform exterior appearance, provide a wide range of auxiliary services, and increase the service quality to comply with modern standards, analyze demand and consumer satisfaction with its services, and develop customer loyalty programs.

In 2008 a visual concept and architectural-and-technical project of filling stations under the Gazprom Neft brand name was developed. The official opening of the first filling station under the brand name is contemplated for the second quarter of 2009. The first filling stations of the new network will appear in Moscow, Moscow Region, Saint-Petersburg, Kaluga, Nizhniy Novgorod and Tyumen. In 2009 it is planned to rebrand 225 filling stations and install 59 steles of the new retail brand.

Results of Operations

The following table represents the Company's results of operations for the three months ended March 31 2009 and 2008:

(in US$ million)	For the three months ended March 31 2009	2008	Change %
Revenues			
Refined products and oil and gas sales	4,074	7,861	(48.2)
Other	111	184	(39.7)
Total	4,185	8,045	(48.0)
Costs and other deductions			
Crude oil, petroleum and other products purchased	846	2,095	(59.6)
Operating expenses	421	468	(10.0)
Selling, general and administrative expenses	282	183	54.1
Transportation expenses	382	390	(2.1)
Depreciation, depletion and amortization	337	256	31.6
Export duties	583	1,531	(61.9)
Taxes other than income taxes	654	1,295	(49.5)
Exploration expenses	43	43	-
Cost of other sales	84	120	(30.0)
Total	3,632	6,381	(43.1)
Operating income	553	1,664	(66.8)
Other income (expense)			
Income from equity affiliates	52	106	(50.9)
Interest income	22	8	175.0
Interest expense	(49)	(40)	22.5
Other (expense) income, net	(23)	18	n/a
Foreign exchange (loss) gain, net	(166)	57	n/a
Total	(164)	149	n/a
Income before provision for income taxes	389	1,813	(78.5)
Provision for income taxes	98	370	(73.5)
Deferred income tax (benefit) expense	(47)	32	n/a
Total	51	402	(87.3)
Net income	338	1,411	(76.0)
Less: Net income attributable to noncontrolling interest	(3)	-	-
Net income attributable to Gazprom Neft	335	1,411	(76.3)

Revenues

The following table analyses revenues for the periods indicated:

(in US$ million)	For the three months ended March 31 2009	2008	Change %
Crude oil			
Export and sales on international markets	1,231	2,949	(58.3)
Export to CIS	137	224	(38.8)
Domestic sales	33	109	(69.7)
Total crude oil sales	1,401	3,282	(57.3)
Gas			
Sales on international markets	18	-	-
Domestic sales	14	38	(63.2)
Total gas sales	32	38	(15.8)
Petroleum products			
Export and sales on international markets	1,310	2,297	(43.0)
Export and sales to CIS	148	232	(36.2)
Domestic sales	1,183	2,012	(41.2)
Total petroleum products sales	2,641	4,541	(41.8)
Other sales	111	184	(39.7)
Total sales	4,185	8,045	(48.0)

Sales Volumes

The following table analyses sales volumes for the periods indicated:

	For the three months ended March 31 2009	2008	Change %
Crude oil (millions of barrels)			
Export and sales on international markets	30.1	32.3	(6.8)
Export to CIS	5.9	5.1	15.7
Domestic sales	1.5	2.2	(31.8)
Crude oil (millions of tonnes)			
Export and sales on international markets	4.1	4.4	(6.8)
Export to CIS	0.8	0.7	14.3
Domestic sales	0.2	0.3	(33.3)
Total crude oil sales	5.1	5.4	(5.6)
Gas (bcm)			
Sales on international markets	0.1	-	-
Domestic sales	0.9	0.9	-
Total gas sales	1.0	0.9	11.1
Petroleum products (millions of tonnes)			
Export and sales on international markets	3.2	3.2	-
Export and sales to CIS	0.4	0.4	-
Domestic sales	3.5	3.5	-
Total petroleum products sales	7.1	7.1	-

Realized Average Sales Prices.

The following table analyses the Company's average realized export and domestic prices for the periods indicated:

	For the three months ended March 31			
	2009		2008	
	(US$/barrel)	(US$/tonne)	(US$/barrel)	(US$/tonne)
Average realized price international				
Crude oil				
Export and sales, excluding CIS	40.90	300.24	91.30	670.23
Export and sales to CIS*	23.22	171.25	43.92	320.00
Petroleum products				
Export and sales, excluding CIS		409.38		717.81
Export and sales to CIS*		370.00		580.00
Average realized price domestic				
Crude oil	22.00	165.00	49.55	363.33
Petroleum products		338.00		574.72

* net of export duties to CIS

During the first quarter of 2009 the Company's revenues decreased by 48.0% to US$ 4,185 million compared to US$ 8,045 million in the first quarter of 2008. The decrease in revenues was primarily due to the following:

- a significant decrease in market prices;
- a decrease in sales volumes of crude oil on export and domestic market due to economic downturn.

Crude Oil Export Sales

In the first quarter of 2009 our revenues from export crude oil sales decreased by 58.3% to US$ 1,231 million compared to US$ 2,949 million in the first quarter of 2008. This reduction was due to 55.2% decrease in sales prices and a 6.8% decrease in sales volumes. The price reduction was attributable to the decrease in Urals price by 53.1%.

Crude Oil Sales to CIS

In the first quarter of 2009 the Company's revenues from CIS crude oil sales decreased by 38.8% to US$ 137 million compared to US$ 224 million in the first quarter of 2008. This decrease was primarily due to reduction in sales prices by 47.1%, which was offset by 15.7% increase in sales volumes. The price decline was driven by the general decrease in world prices.

Crude Oil Domestic Sales

In the first quarter of 2009 our revenues from domestic crude oil sales decreased by 69.7% to US$ 33 million compared to US$ 109 million in the first quarter of 2008. The decrease in domestic crude oil sales was caused by a 31.8% reduction in the relative volume of crude oil and a 55.6% decrease in average sales prices.

Petroleum Products Export Sales

In the first quarter of 2009 the Company's revenues from export petroleum product sales decreased by 43.0% to US$ 1,310 million compared to US$ 2,297 million in the first quarter of 2008. This decrease was primarily a result of a reduction in sales prices by 43.0%. The price decrease was driven by the general reduction in world prices.

Petroleum Products Sales to CIS

In the first quarter of 2009 our revenues from CIS petroleum product sales decreased by 36.2% to US$ 148 million compared to US$ 232 million in the first quarter of 2008. This decrease was primarily due to a reduction in sales prices by 36.2%. The price decrease was attributable to the general reduction in sales prices.

Petroleum Products Domestic Sales

In the first quarter of 2009 the Company's revenues from domestic petroleum product sales decreased by 41.2% to US$ 1,183 million compared to US$ 2,012 million in the first quarter of 2008. This decrease was primarily due to a decrease in sales prices by 41.2%. The price decrease was driven by the general reduction in world prices.

Other Sales

Other revenues consist primarily of sales of services such as transportation, construction, utilities and other services and are recognized when goods are provided to customers and services are performed providing that the price for the service can be determined and no significant uncertainties regarding realization exist.

Other sales were US$ 111 million in the first quarter of 2009 that is 39.7% lower compared to the US$ 184 million in the first quarter of 2008 due to the fall in prices and volumes.

Costs and Other Deductions

Crude Oil, Petroleum and Other Products Purchased

In the first quarter of 2009 cost of purchased crude oil, gas and petroleum products decreased by 59.6% to US$ 846 million compared to US$ 2,095 million in the first quarter of 2008. This decrease was primarily due to decrease in crude oil and petroleum products prices.

Operating Expenses

The following table comprises operating expenses for the periods indicated:

	For the three months ended March 31		Change %
(in US$ million)	2009	2008	
Hydrocarbon extraction expenses	275	314	(12.4)
Refining expenses at own refineries	81	78	3.8
Refining expenses at equity investee refineries	65	76	(14.5)
Total operating expenses	421	468	(10.0)

Hydrocarbon Extraction Expenses

Our hydrocarbon extraction expenses include expenditures related to raw materials and supplies, maintenance and repairs of extraction equipment, labor costs, fuel and electricity costs, activities to enhance oil recovery and other similar costs at our extraction subsidiaries.

In the first quarter of 2009 the Company's extraction expenses decreased by 12.4% to US$ 275 million compared to US$ 314 million in the first quarter of 2008. This was primarily due to the real Ruble depreciation to the US Dollar, which was partially offset by increase in expenses for energy supply, workovers and labor.

The Company's average hydrocarbon extraction cost per barrel of oil equivalent decreased from US$ 5.14 to US$ 4.86, or by 5.4% compared to the first quarter of 2008.

Refining Expenses at Own Refineries

In the first quarter of 2009 the Company's refining expenses at our own refineries increased by US$ 3 million, or 3.8%, compared to the same period of 2008, mainly as a result of the acquisition of our 51% interest in Naftna Industrija Srbije (''NIS'') in February 2009. The Company's average refining expenses per barrel at own refineries decreased from US$ 2.53 to US$ 2.21, or by 12.6% in the first quarter of 2009 compared to the same period of 2008.

Refining Expenses at Equity Investee Refineries

In the first quarter of 2009 the Company's refining expenses at equity investee refineries decreased by US$ 11 million, or 14.5%, compared to the same period of 2008. This resulted primarily from the real Ruble depreciation to the US Dollar in the first quarter of 2009. The Company's average refining expenses per barrel at equity investee refineries decreased from US$ 4.32 to US$ 3.55 per barrel, or by 17.8%, compared to the first quarter of 2008.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include general business expenses, wages, salaries, social benefits (except for wages and salaries at our production and refining subsidiaries), insurance, banking commissions, legal fees, consulting and audit services, charity, allowances for doubtful accounts and other expenses.

In the first quarter of 2009 the Company's selling, general and administrative expenses increased by 54.1% to US$ 282 million compared to US$ 183 million in the same period of 2008. This growth was due to an increase in the Company's trading activities and the acquisition of 51% interest in Naftna Industrija Srbije (''NIS'') in February 2009.

Transportation Expenses

Transportation expenses consist of the costs of crude oil and petroleum products to final customers. These costs consist of pipeline transportation, sea freight, railway, shipping, handling and other costs.

In the first quarter of 2009 our transportation expenses decreased by 2.1% to US$ 382 million compared to US$ 390 million in the same period of 2008. This was primarily due to decrease in freight rates and transportation tariffs in Russia. Transportation tariffs in Russia denominated in Rubles increased in the first quarter of 2009, however, this increase was compensated for by the real Ruble depreciation to the US Dollar.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization expenses include depletion of oil and gas producing assets and depreciation of other fixed assets.

In the first quarter of 2009 our depreciation, depletion and amortization expense was US$ 337 million compared to US$ 256 million for the same period of 2008, an increase of US$ 81 million, or 31.6%. The increase was a result of the growth in depreciable assets due to the Company's capital expenditure program.

Export Duties

Export customs duties include duties related to the export of both crude oil and petroleum products.

The following table presents export customs duties for the periods analyzed:

(in US$ million)	For the three months ended March 31 2009	2008	Change %
Export customs duties for crude oil	415	1,142	(63.7)
Export customs duties for petroleum products	168	389	(56.8)
Total export customs duties	583	1,531	(61.9)

In the first quarter of 2009 export customs duties decreased by 61.9% to US$ 583 million compared to US$ 1,531 million in the same period of 2008 due to decrease in tariff rates because of crude oil prices decline. Export customs duties for crude oil for the first quarter of 2009 decreased by 63.7% to US$ 415 million compared to US$ 1,142 million in the first quarter of 2008; export customs duties for petroleum products decreased by 56.8% to US$ 168 million compared to US$ 389 million in the first quarter of 2008.

Taxes Other Than Income Taxes

The following table summarizes the Company's taxes other than income taxes for the periods indicated.

(in US$ million)	For the three months ended March 31 2009	2008	Change %
Mineral extraction taxes	332	1,066	(68.9)
Excise	287	189	52.0
Property tax	26	24	8.3
Other taxes	9	16	(43.8)
Total taxes other than income tax	654	1,295	(49.5)

In the first quarter of 2009 taxes other than income tax decreased by 49.5% to US$ 654 million compared to US$ 1,295 million in the same period of 2008, primarily due to a decrease in mineral extraction taxes.

<u>Exploration expenses</u>

Exploration expenses include seismic, geophysical and exploratory drilling costs (including costs associated with stratigraphic test wells). Exploration drilling costs are temporarily capitalized pending determination of whether proved oil and gas reserves have been found, which justify further commercial development. If such reserves are not found, the drilling costs are charged to exploration expenses in the period when a determination is made that such costs have not resulted in additional proved oil and gas reserves.

In the first quarter of 2009 our exploration costs was approximately the same as in the first quarter of 2008 - US$ 43 million.

<u>Cost of other sales</u>

Cost of other sales decreased by 30.0% in the first quarter of 2009 compared to the same period of 2008 mainly due to real Ruble depreciation.

<u>Income from equity affiliates</u>

The Company accounts its investments in Slavneft, Tomskneft, Moscow Refinery using the equity method. These companies are primarily engaged in crude oil exploration, production and refining in the Russian domestic market.

In the first quarter of 2009 income from equity affiliates decreased by 50.9% to US$ 52 million compared to US$ 106 million in the same period of 2008.

Interest income

In the first quarter of 2009 interest income increased by 175.0% to US$ 22 million compared to US$ 8 million in the first quarter of 2008. This was due to an increase in cash and deposits placed in banks during the related periods.

Interest expense

In the first quarter of 2009 interest expense increased by 22.5% to US$ 49 million compared to US$ 40 million in the same period of 2008. The decrease was due to the acquisition of 51% interest in Naftna Industrija Srbije (''NIS'') in February 2009.

Income tax expenses

In the first quarter of 2009 effective income tax rate was 13.1% compared to 22.2% in the first quarter of 2008, which is lower than a statutory tax rate in Russia due to the change in income tax rate from 24% to 20% from January 1, 2009 and non-deductible permanent differences during the period indicated.

Reconciliation of Net income to EBITDA (Earnings before Interest, Income Tax, Depreciation and Amortization)

	For the three months ended March 31	
(in US$ million)	2009	2008
Net income	335	1,411
Add back:		
Minority interest	3	-
Income tax expense	51	402
Depreciation, depletion and amortization	337	256
Interest income	(22)	(8)
Interest expense	49	40
Other income (expenses), net	23	(18)
Foreign exchange (loss) gain, net	166	(57)
EBITDA	942	2,026

EBITDA represents earnings before interest, income tax, depreciation and amortization. EBITDA is a supplemental non-GAAP financial measure used by management, as well as industry analysts, to evaluate operations. Management believes that EBITDA represents useful means of assessing the performance of the Company's ongoing operating activities, as it reflects the Company's earnings trends without showing the impact of certain charges. EBITDA is not used by management as an alternative to net income as an indicator of the Company's operating performance, as an alternative to any other measure of performance in conformity with US GAAP or as an alternative to cash flow from operating activities as a measure of liquidity. EBITDA does not have a standardized meaning prescribed by US GAAP.

Liquidity and Capital Resources

Cash Flows

	For the three months ended March 31		Change %
(in US$ million)	2009	2008	
Net cash provided by operating activities	666	1,008	(33.9)
Net cash used in investing activities	(1,306)	(868)	50.5
Net cash provided by (used in) financing activities	338	(282)	(219.9)

Net Cash Provided by Operating Activities

In the first quarter of 2009 net cash provided by operating activities was US$ 666 million as compared to US$ 1,008 million in the same period of 2008. The decrease of US$ 342 million or 33.9% in net cash provided by operating activities is due to the following:

- a decrease in net income of US$ 1,073 million;
- a US$ 989 million decrease in accounts receivable and a US$ 676 million decrease in accounts payable and income and other taxes;
- a decrease in inventory of US$ 117 million was a result of the decrease in balances of purchased and produced crude oil and petroleum products;
- an US$ 256 million decrease in other current assets.

Net Cash Used in Investing Activities

In the first quarter of 2009 net cash used in investing activities was US$ 1,306 million compared to US$ 868 million in the same period of 2008 (or 50.5% increase). The increase of US$ 438 million in the net cash used in investing activities was mainly due to acquisition of 51% interest in NIS in February 2009.

Net Cash Provided by (Used in) Financing Activities

In the first quarter of 2009 net cash provided by financing activities was US$ 338 million as compared to US$ 282 million of net cash used in financing activities for the same period of 2008. An increase was mainly due to increase in net loans proceeds and repayments by US$ 773 million in the first quarter of 2009 compared to the same period of 2008.

Capital Expenditures

The following table represents the Company's capital expenditures:

	For the three months ended March 31		Change %
(in US$ million)	2009	2008	
Exploration and production	365	739	(50.6)
Refining	72	20	260.0
Marketing and distribution	43	23	87.0
Total capital expenditures	480	782	(38.6)

In the first quarter of 2009 the Company's capital expenditures decreased by 38.6% to US$ 480 million as compared to US$ 782 million in the first quarter of 2008. The decrease was primarily driven by the exploration and production decrease, which was partially offset by the increase in refining and marketing and distribution. Exploration and production decreased by 50.6% to US$ 365 million primarily due to Real ruble depreciation, refining increased by 260.0% to US$ 72 million and marketing and distribution increased by 87.0% in the first quarter of 2009 compared to the same period of 2008.

Recent Volatility in Global Financial Markets

The ongoing global liquidity crisis has resulted in, among other things, a lower level of capital market funding and lower liquidity levels across the Russian Federation. The uncertainties in the global financial market, has also led to bank failures and or bank rescues. While the Russian government has introduced a range of stabilization measures aimed at providing liquidity and supporting debt refinancing for Russian banks and companies, such circumstances could affect the ability of the Company to obtain new borrowings and re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions. Additionally, the uncertainty in the global markets combined with other local factors has led to very high volatility in the Russian Stock Markets during 2008.

Management is unable to reliably determine the effects on the Company's future financial position, results of operations or cash flows as a result of the ongoing crisis. Management believes the Company's current and long-term investment and capital expenditures program can be funded through cash generated from existing operations. Management also believes the Company has the ability to obtain syndicated loans and other financings as needed to fund business acquisitions and other transactions that may arise in the future.

Credit ratings

Standard & Poor's Ratings Services

On January 9, 2008, Standard & Poor's Ratings Services raised its corporate credit rating on JSC Gazprom Neft to 'BBB-' from 'BB+.The outlook is stable. At the same time, Standard & Poor's affirmed its 'ruAA+' Russia national scale rating on the company.

The stable outlook reflects S&P expectation that Gazprom Neft will maintain strong financial metrics given the continuing high oil price environment. Capital expenditures and investments are, however, likely to increase, reflecting the Company's need to invest in new fields to offset declines at other major fields.

An equalization of the ratings on Gazprom Neft with those on Gazprom may arise after Gazprom entered into an agreement to acquire an additional 20% interest in the Company in April 2009; if the Company's strategic importance to Gazprom is further strengthened or Gazprom Neft's operational and financial integration within the Gazprom group increases; or if there is parental support for future acquisitions, either directly or through dividend reductions.

Rating downside could emerge from sizeable debt-financed acquisitions if these are not offset by parental support.

On October 24, 2008, Standard & Poor's Ratings Services affirmed 'BBB-' long-term corporate credit rating and 'ruAA+' Russia national scale rating on JSC Gazprom Neft. The outlook is stable.

The rating on Gazprom Neft continues to be based on a bottom-up approach, with a one-notch uplift for potential support from JSC Gazprom, - the "S&P" statement says.

Under S&P release, the rating differential to Gazprom reflects Gazprom Neft's operating and financial autonomy relative to the Gazprom group, as well as the absence of parental guarantees on Gazprom Neft's debt.

The stable outlook reflects the agency's expectation that even if the rating on Gazprom were to be lowered by one notch, the rating on Gazprom Neft would likely be affirmed, in line with the bottom-up approach.

Moody's Investors Service

On July 4, 2008 Moody's Investors Service upgraded the senior unsecured ratings of JSC Gazprom Neft ("Gazprom Neft"), including the rating of Gazprom Neft's senior unsecured 10.75% US$500 million notes (repaid in January 2009), to Baa3 from Ba1. As part of the upgrade of the ratings into investment grade, the Ba1 Corporate Family Rating and Probability of Default Rating have been withdrawn.

Gazprom Neft's ratings have a stable outlook which is based on expectation that the recently upgraded investment grade rating is not expected to move further over the immediate term due to the fundamental constraining factors. To maintain current rating Moody's expect the Company to continue delivering a robust operational and financial performance, while adhering to its financial policies and business plan targets.

Given the Company's strong performance on the majority of the methodological metrics, the key constraining factors relate to low diversification of Gazprom Neft's reserves base and exposure to the country and operational risks. Therefore significant improvements in the above factors could bring some upward pressure on the current rating. Additionally, Moody's would require evidence of continued strong operational and financial performance, production and reserves growth and successful execution on its investment program. Upward pressure could also increase if there was to be a commitment by Gazprom to either guarantee Gazprom Neft's debt.

Decision to raise substantial unsecured debt by Gazprom Neft could eliminate the group's financial flexibility and possibly put pressure on ratings (although there is financial headroom at present according to 2007 financial ratios). Any uncertainty related the shareholding structure, as well as a major acquisition which would alter the Company's business and credit risk profile, could also trigger the rating downgrade if not appropriately structured.

Debt obligations

As of March 31, 2009 The Company's long-term debt was US$ 3,251 million as compared to US$ 3,080 million as of December 31, 2008. The increase was due to a US$ 724 million loan from Sberbank obtained in February 2009, which was offset by partial repayment US$ 2.2 billion syndicated loan.

The following table shows maturities of long-term loans as of March 31, 2009 (in US$ million):

Year due	Amount due
2010	$ 939
2011	1,372
2012	567
2013	221
2014 and further	152
	$ 3,251