



March 4, 2008

STATEMENT OF OAO GAZPROM SPOKESMAN
SERGEY KUPRIYANOV

"Contradictory statements were made by official Ukrainian representatives on March 4.

Naftogaz Ukrainy Oil and Gas Company threatened the Europeans on Tuesday, March 4, to cut the transit of the Russian natural gas bound for consumers in the European Union. The Ukrainian company warned "it can guarantee uninterrupted transit of gas to European consumers only as long as the energy security of Ukraine itself is not jeopardized" and "reserves the right to resort to adequate and asymmetric actions to protect the interests of its own consumers."

Simultaneously, in Warsaw Ukrainian Foreign Minister Vladimir Ogrzyzko assured Poland that the transit of natural gas from Russia to Europe via his country will continue at usual volumes in spite of reduced supplies to Ukraine. "I assure you that Ukraine will do everything possible to maintain normal gas deliveries to the European Union," the minister told reporters. He said he was sure the "conflict would soon be overcome."

Gazprom again confirmed that it would fulfill all contracts, as it has done for decades. Natural gas deliveries to EU countries will continue at full volume.

The cuts in gas supplies to Ukraine were caused exclusively by the non-payment of debts for additional Russian gas. It was supplied to Ukrainian consumers early in 2008 to cover a shortfall in contracted gas deliveries from Central Asia. However, our Ukrainian partners have currently neither paid for the deliveries nor formalized the necessary contracts. As a commercial company we need our clients to pay for the services provided.

I would like to highlight that there is currently no contract for the deliveries of Russian gas to Ukraine, while the acting transit contract is not linked to gas supplies to Ukrainian consumers.

International SGS observers, a leading world company for inspections, verification, testing and certification, are working at gas-measuring stations in Russia, Romania, and Slovakia. However, Ukraine barred SGS representatives in spite of the fact that talks with the Ukrainian side on the issue have been underway since February 11, 2008.

Naftogaz said in a press release that “reduced gas shipments contradict the technical terms of relations between the companies.” However, the technical agreement between OAO Gazprom and NAK Naftogaz Ukrainy does not regulate commercial relations between the parties and only determines the dispatching issues.

The situation emerging with the transit of Russian natural gas to EU countries via Ukrainian territory confirms once again the necessity of concluding clear and strict commercial contracts between the Russian and Ukrainian sides.”