



Vostok Gas

Press Release December 9, 2008

Vostok Gas to distribute portfolio assets in the form of Gazprom ADRs to the shareholders

Extraordinary General Meeting to be held on December 23, 2008 in Stockholm

The Board of Directors of Vostok Gas Ltd. ("Vostok Gas" or "the Company") has decided to convene an Extraordinary General Meeting of the Company to be held on December 23, 2008 at 10:00 a.m. Central European Time (CET) in Stockholm in order to resolve that all Gazprom Depository Receipts ("ADRs") that remain in the company after the outstanding bank debts are repaid are to be distributed to the shareholders of Vostok Gas.

The current bank debt with Deutsche Bank will be repaid in full before the Gazprom ADRs are distributed to the shareholders of Vostok Gas.

Rationale

Vostok Gas was set up as a holding company for Gazprom ADRs with three attributes that made it an attractive investment:

- 1) size of shareholding in Gazprom,
- 2) management experience with Gazprom, and
- 3) leverage.

Vostok Gas' management still believes Gazprom to be significantly undervalued at today's levels. This was also the belief that led the Company to apply the initial leverage. However the present global financial turmoil makes it practically impossible to apply leverage to a position like the one of Gazprom ADRs in Vostok Gas. Long term credit is not available at practically any price and extreme volatility results in short term debt being in principle destructive to a large position, such as Vostok Gas' in Gazprom. The leverage reason for Vostok Gas' raison d'être is thus gone.

Also the size of the holding has been reduced due to deleveraging. All in all the reasons for holding Gazprom through Vostok Gas has been diluted to the extent that it no longer is in the interest of the shareholders to maintain its exposure through the Company.

"We see in front of us a period of a year, or even more, in which the volatility in the pricing of assets like Gazprom will continue to be extremely high. With that in mind



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we need to be realistic about the limited possibilities we are facing when looking at extending our previously targeted level of leverage through bank debt during 2009 and beyond. Coupled with the fact that Vostok Gas is currently trading with an unmotivated discount to Net Asset Value and that the block of Gazprom that we hold has shrunk significantly over the past months, this has lead the Board of Directors of Vostok Gas to take the necessary steps to distribute the assets of the Company, i.e. the unleveraged depository receipts of Gazprom, to our shareholders”, comments Lukas H. Lundin, Chairman of Vostok Gas.

“However, our long term view of Gazprom as a company with a tremendous potential and one of the most interesting investments in the global equity universe remains intact. I would like to thank all of Vostok Gas’ shareholders for your long standing support, and for your continued belief in the fundamental value of Gazprom.”

The plan is to perform a Share Split and a Mandatory Redemption Programme in Vostok Gas, whereby the consideration for the redeemed shares in Vostok Gas will consist of Gazprom ADRs. For further details, please see the separate notice of an EGM in Vostok Gas.

Net asset value per share: USD: 10.87, SEK: 87.97

Vostok Gas’ estimated net asset value as of December 8, 2008 amounted to approximately USD 468.23 mln (SEK 3,789.78 mln at an exchange rate of USD/SEK 8.0938). The number of shares in Vostok Gas per December 8, 2008 was 43,080,087. Gross liabilities including bank debt amounted to USD 1,051.87 mln while USD 1,026.74 mln was held in cash. Including the expected dividend stream from Gazprom for the financial year of 2007 the resulting net cash of the company was USD 0.49 mln.

Current portfolio and proposed distribution of Gazprom ADRs

At the end of the trading day Monday December 8, 2008 the total number of Gazprom ADRs held by Vostok Gas amounted to 28,109,192, and the total number of ordinary shares of Gazprom held was 12,193. In order to execute a mandatory redemption of shares for owners of Swedish Depositary Receipts, the Board of Directors proposes that the General Meeting resolves to reduce the issued share capital of the company by USD 10,770,021.75 USD through redemption of 43,080,087 shares with consideration in form of 28,105,448 Gazprom ADRs. This calculation is indicative and means that each redemption depository receipts entitles the holder to receive 0.6524 Gazprom ADRs. The Board will revert with an exact redemption ratio to be resolved upon at the General Meeting. The Board further proposes February 4, 2009 to be the record day for redemption of the redemption shares.



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This report has not been subject to review by the company's auditors.

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