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TO OUR READERS:

Gazprom Group Prepared to Meet Growing Natural Gas Demand

Since June 2009, worldwide demand for natural gas has continued to grow. In order to meet this growing demand and continue to serve as a reliable supplier of “blue fuel,” Gazprom Group has been increasing its production volumes since the beginning of July 2009 and vigorously working on pipeline infrastructure enhancement projects.

Increasing Production

By the end of July, gas production reached 1.1 bcm of daily output, close to last year’s figure. Gazprom Export anticipates higher results for Q3: Europe will increase its purchasing volume as the price of natural gas has decreased and storages are not filled in.

Both natural gas reserves and production capacities are sufficient enough to meet demand both short- and long-term. According to a recent statement by Ms. Vlada Rusakova, a member of Gazprom’s Management Committee, by 2020 the volume of natural gas production, including fields in Eastern Siberia and the Far East, is likely to equal 670-680 bcm, and for Yamal it could surpass 130 bcm.

Indeed, Gazprom’s plans for the development of the gas industry mineral resource base until 2030, developed in 2002, is being successfully implemented. Between 2002 and 2008, 23 new fields and 47 deposits of oil and gas were discovered in Russia.

Beginning in 2005, exploration projects secured a steady growth of oil and gas reserves above the extraction volume. As a result of these projects, in 2008 the overall growth of gas reserves throughout Gazprom

Group reached 583.4 bcm, with a gas reserve replacement ratio of 1.06.

Pipeline Infrastructure Enhancement

Gazprom is also making inroads in pipeline construction and infrastructure.

At the end of August, the company commissioned the Dzuarikau–Tskhinvali pipeline in South Ossetia, which marked the successful completion of a project initially started in 2006.

While the Dzuarikau-Tskhinvali pipeline is only 162.3 kilometers long with an annual capacity of 252.5 mcm, it is significant in its engineering feat as the highest-altitude gas pipeline in the world. No other global energy company has ever operated in such a harsh geological environment. Nearly half the pipeline passes through highlands at an altitude of more than 1,500 meters in areas of high seismic activities and the hazards of landslides, mudflows and avalanches. Such hazardous areas may stretch up to several hundred meters, including tectonic fault lines, which may vary in length between two and 15 kilometers. There are 15 tunnels, with a total length of 1,848 meters, and 29 water crosses constructed along the line. The pipeline runs across five mountain ridges, and reaches 3,148 meters at the Kudar Pass.

But there are things far more important: This pipeline will contribute to development in South Ossetia, to the improvement of living conditions for its

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Gazprom & Turkey: A Diverse Partnership

Valery Nosov, Head of Department of Gas Exports (South Routes and CIS Countries)



For Gazprom, Turkey is becoming not only one of the biggest consumers of Russian natural gas, but also a key partner in a wide array of large-scale energy

and industrial projects. The gas industry factors substantially in cooperation between Moscow and Ankara. Turkey is the second biggest importer of Russian gas in terms of volumes and one of the largest markets for the fuel. In 2008, the total consumption of natural gas in Turkey amounted to 37.5 bcm, of which 23.8 bcm came from Russia, accounting for 60 percent of the country's total consumption.

The Russia-Turkey natural gas relationship has had a long and successful history. Our first deliveries of gas to Turkish consumers date back to 1987. Initially, those deliveries were transited via Ukraine, Romania and Bulgaria. Since 2003, gas has been delivered to Turkey directly via the Blue Stream pipeline connecting Russian and Turkish coasts along the Black Sea. In 2010, the pipeline will reach its full design capacity of 16 bcm per year.

But Gazprom is more than just Turkey's largest supplier of natural gas; we also provide Turkey with additional volumes of gas when the country needs it most. Quite often, our company delivers daily volumes of gas that exceed our contract obligations, particularly when Turkey encounters difficulties with deliveries of gas from other sources.

Furthermore, Gazprom Export has also been successful in continuing to integrate with the liberalization of the Turkish gas market. A 2001 law held that BOTAŞ, the Turkish state-run energy company, was to hold annual tenders to transfer its gas import contracts for at least 10

percent of its total contracted volume until 2009. Gazprom was the only supplier of BOTAŞ that agreed to transfer part of its contracts to new customers. So far, only one tender has been held for the transfer of a contract, which amounts to four bcm per year. The transferred gas volumes are being delivered to Turkey under contracts with private companies such as Shell Energy, Bosphorus Gas, Avrasia Gas and Enerco Energy.

So, what underlies our unique partnership with Turkey? First, we understand the importance of the

In Gazprom's view, the Turkish power generation market is extremely promising; even during the global economic crisis, the demand for electricity in Turkey rose steadily. Moreover, the share of the gas generation sector in the country is relatively high, far higher than in European countries. Currently, we are evaluating various possibilities to enter this sector with our Turkish partners. In particular, we are considering the construction of new gas-fired power plants on a joint basis, which does not exclude acquiring stakes in pre-existing

The first Soviet-Turkish agreement concerning deliveries of natural gas was signed in September 1984 as the result of successful bilateral negotiations between the two countries. The 25-year contract stipulated that the USSR was obliged to supply natural gas, and the Turkish Republic committed to purchasing it. This event marked the first significant step forward in establishing positive Russian-Turkish gas relations. In 1986, once the contract had been settled, the first gas pipeline was constructed. Two years later, in August 1988, Ankara received its first shipments of Russian natural gas.

development of the Turkish gas market. Next, we work closely together with policymakers and regulators to anticipate policy changes, and strictly uphold the fulfillment of contractual obligations between both parties. Finally, we keep an open mind when it comes to Turkish initiatives and possibilities for investing in the country's economy, particularly in the development of its gas distribution system and electric power sector.

projects. Of chief importance is our participation throughout the entire value creation chain, from the delivery of natural gas, to our participation as a shareholder in key projects, to sales of generated electric power to customers.

Our close working relationship in Turkey's gas sector has led to greater cooperation in large-scale business projects. Russia and Turkey recently signed a number of energy deals,

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Gazprom & Turkey

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calling for, among other things, the construction of a nuclear power plant in Turkey and the development of oil transportation infrastructure.

The Protocol on cooperation in the gas industry signed between Russian Prime Minister Vladimir Putin and Turkish Prime Minister Recep Tayyip Erdoğan on 6 August 2009 in Ankara was significant. The Protocol covers a wide range of areas, including:

- Negotiations on conditions of extending the long-term natural gas sales contract expiring in 2011;
- Issuance of permits by Turkish authorities to conduct sea reconnaissance and environmental research following the South Stream pipeline track for its subsequent construction within the Turkish exclusive economic zone;
- Assessment of the implementation of a number of projects in Turkey: construction of the Blue Stream-2 pipeline (meant to ensure export of additional volumes of Russian gas to the Turkish market, deliveries to the Middle East, in particular, to Israel); underground gas storage facilities; gas-fired power plants; mineral fertilizers production facilities; and the possibility of cooperation with third-party countries in the field of hydrocarbon exploration and production.

We have already achieved progress on some of these initiatives, and look forward to continuing a productive and rewarding partnership with Turkey in the long term.

WINGAS Plays a Key Part in Accessing Europe



Alexander Medvedev, Director General of Gazprom Export, was a

guest at the WINGAS Forum events series, where experts from the fields of politics, economics, science and culture provided diverse insight into improving WINGAS (a joint venture by Gazprom Export and Wintershall) employees' knowledge of Russia; creating a better understanding of Russian culture; examining German-Russian relations; and describing the prospects for collaboration between Germany and Russia in the future.

Medvedev pointed to WINGAS as an excellent example of successful German-Russian collaboration: "Our cooperation

"In order to build on this success, timely investment in production development, in infrastructure expansion and in staff training is essential," stressed Medvedev. "There is no other way." He highlighted the construction of the Baltic Sea pipeline to reduce dependence on transit countries as one of the most important projects: "The significance of Nord Stream for Russia should also not be underestimated."

Looking to the future, Medvedev stated that Gazprom's primary objective is further growth. He added that while Europe will remain the most important market, the company's goals will also include an increased focus on Asia and America moving forward. Furthermore, Gazprom will also seek to invest in new fuel transport possibilities.



"WINGAS has an important place in Europe and ensures that we have direct access to the customers there."

*Alexander Medvedev
Gazprom Export Director General*

enables Wintershall to serve as a gateway to the Russian energy sector, while for Gazprom it provides access to German and European gas markets."

Since its founding, WINGAS has recorded consistently steady growth, far above the industry average. Despite the worldwide decline in demand for gas, WINGAS still managed to increase its sales by 19 percent in the past year and now has an 18 percent share of the market in Germany.

At the end of his presentation, Medvedev, a sports enthusiast, received a WINGAS soccer jersey from WINGAS Management Spokesman Dr. Rainer Seele, with a number 12 on the back. The significance of the "12" is that, in German soccer, the support of loyal fans is referred to as the "12th man" on the playing field. Company teams from WINGAS and Gazprom Export look forward to continuing their long-standing tradition of supporting each other both on and off the soccer field.

Gazprom Export Signs Agreement for Bergermeer Gas Storage Project

Gazprom to provide cushion gas in exchange for working capacity and participating interest in Europe's largest new gas storage facility



On 20 August 2009, the Bergermeer Gas Storage project consortium, consisting of EBN, Dyas B.V., Petro-Canada and operator TAQA Energy B.V., a subsidiary of The Abu Dhabi National Energy Company PJSC (TAQA), signed an agreement with Gazprom Export for the provision of gas storage services in exchange for the delivery of cushion gas for the Bergermeer Gas Storage project. Upon completion, Bergermeer is expected to be Europe's largest new gas storage facility. This announcement stems from the signing of a Memorandum of Understanding, which was announced by TAQA and Gazprom Export on 10 December 2008.

technical operator of the facility. The agreement is conditional upon a final investment decision for the project by each of the consortium partners and Gazprom, which is expected to be reached by all parties in the coming months.

Gazprom Export Director General Alexander Medvedev said: "Gazprom attaches high importance to the creation of a network of underground gas storage facilities in Europe in order to ensure security of natural gas supplies, in accordance with its export contracts. The Bergermeer Gas Storage Project, given its technical parameters and geographical location, will secure the stability of our supplies not only for the sake of our current contracts, but also for the implementation of our new contracts, intended to provide gas through the Nord Stream pipeline which is now being put together."

Bergermeer Gas Storage will significantly enhance the security of energy supply to European consumers. In the Netherlands, Bergermeer stands to provide reserves equal to the annual gas consumption of approximately 1.6 million Dutch households. The planned working volume amounts to 4.1 bcm. It will also be a major contributor to liquidity in the North-West European gas markets.

Paul van Gelder, Managing Director of TAQA in The Netherlands, said that the announcement is a significant step forward for the project. "Our combined expertise in underground gas storage creates synergies that will facilitate development of the Bergermeer Gas Storage project. The commitment of the existing partners and the expertise of Gazprom, in its role as a strategic participating customer, will ensure the success of this facility in securing Europe's energy supplies for decades to come."

The agreement stipulates that Gazprom Export will deliver a certain amount of cushion gas for injection into the Bergermeer reservoir. In exchange, Gazprom Export will receive working capacity and participating interest in the

Bloomberg

"The Netherlands aims to become a distribution point for gas in northwest Europe[...] It's also strengthening ties with energy-producing nations such as Russia, Kazakhstan, Algeria and Saudi Arabia."

Fred Pals
15/06/2009

Jan Dirk Bokhoven, Chairman of the Executive Board of EBN, said: "The signing of this agreement is important for the project and an essential component for the final investment decision, which we aim to achieve in the coming month. The project would be a valuable contribution towards the ambition of our shareholder, the Dutch State, to realize the 'gas roundabout of North-West Europe' in The Netherlands."

Subject to obtaining the necessary permits and the final investment decision for the project, TAQA, as operator, plans to commence construction of the Bergermeer Gas Storage facility in 2010 with commercial operations following in 2013. Once commercially operational, the majority of the capacity of the facility will be made available for third-party access.

Peter Barker-Homek, CEO of TAQA, said: "TAQA has invested a significant amount of time in a comprehensive Environmental Impact Assessment (EIA). We invest in sustainable projects with respect for nature and people. For the Dutch Government, TAQA and its partners: 'Safety First' is the slogan we are regulated and live by."



"The proximity of Bergermeer to a gas pipeline to the UK could also help the Russian company sell gas in Britain."

Michael Steen
21/08/2009

Southeast European Natural Gas Landscape: A Greek Perspective

*Dr. Constantinos Filis, SEESOX Associate, St. Antony's College, Oxford University
Head, Russia-Eurasia and SE European Centre, Institute of International Relations*



Russia now stands as a key energy partner for Greece, with two of the country's three major energy projects being completed in collaboration with Russia. The recent agreement

between Athens and Moscow on South Stream in combination with the Burgas-Alexandroupoli oil pipeline and the Interconnector Turkey-Greece-Italy (ITGI) natural gas pipeline will, if completed, render Greece an important link in the supply chain carrying Caspian hydrocarbons to the West.

It will take some time for the ITGI to operate at full capacity (about 12 bcm), upon its completion in 2012. In 2008, Azerbaijan produced less than 10 bcm of gas, which means that for some time the ITGI will have to carry smaller quantities.

In the case of South Stream, Greece's participation would take on a substantial strategic perspective only if the pipeline's southern branch were to transit gas through a significant portion of northern Greece, justifying the construction of infrastructure and linking up to domestic delivery networks.

A further benefit for Greece is that South Stream will be able to meet its domestic natural gas needs, as the current capacity of the existing pipeline carrying gas to Greece through Bulgaria (covering almost 78 percent of current domestic demand) will not suffice to

meet increasing domestic needs in the coming years.¹

Greece—together with strong and trusted partners—can become a significant contributor to global energy security by focusing on creating infrastructure and storage facilities, as well as development prospects for the Greek periphery, while also improving domestic competitiveness. Adhering to the necessary amendments of its legal framework, is a basic precondition for this, as it will attract investment from companies capable of contributing substantially toward opening up Greece's market. Taking things a step further, Greece and Gazprom might consider the potential for a joint venture aimed at selling and distributing natural gas throughout the Balkans.

It is my strong conviction that Gazprom, by virtue of its leading position among Europe's energy suppliers, its know-how, and the ready cash it can provide for infrastructure projects, new transport routes, storage facilities and the connecting of networks may well contribute significantly to developing means and tools that will enable the states of Southeast Europe to more effectively meet energy security challenges and improve their security of supply.

It is in the mutual interest of Gazprom and Athens to realize the potential for creating a common and cooperative energy future for Southeast Europe, and for making Greece a hub for distributing gas to the wider region.

To Our Readers:

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population, and it will have a positive environmental effect for the entire region.

In the Yamal Peninsula, a new railway route was inaugurated in September linking Obskaya and Bovanenkovo. According to Gazprom CEO Alexei Miller, gas reserves in Yamal will guarantee the production of 360 bcm by 2030. The preliminary estimates of the entire resource base of the region, counting those in the Karsk Sea basin, amount to 125.3 tcm of natural gas, and the forecasts fix the potential annual production in Yamal at around 650 bcm. The exploration of the Yamal Eldorado was kicked-off at the Bovanenkovo field, where reserves total almost five tcm.

The most challenging task was building a bridge across the Yuribey River. Due to the specific nature of the soil, it was impossible to carry out work in the summer, making winter the only construction season. Apart from that, the traditional technological methods had to be abandoned for the sake of preserving the environment. The final engineering solution placed the railway tracks on top of a four kilometer-long overpass crossing the river. It required hammering into the ground 110 piers up to three meters in diameter, embedding them into the swampy terrain to a depth of more than 50 meters.

These are just two examples of how Gazprom Group is working to enhance and expand its pipeline infrastructure in order to meet the growing global demand for natural gas.

¹ The Greek-Bulgarian pipeline, transporting Russian gas, operates at peak levels and cannot supply Greece with more than 4.6 bcm annually.

The Success Story of Czech Flexibility

Hugo Kysilka, Vice President, VEMEX

In the 1990s, Gazprom Export's decision to sell Russian natural gas not only through traditional agents in Europe, but also through local companies proved to be economically sensible, providing Gazprom Export with a noticeable competitive advantage. The market welcomed the move, particularly in the Czech Republic, where Gazprom Export works with a company called VEMEX. One of VEMEX's top managers, Hugo Kysilka, shares his opinion on this trend, his company's profile and "school of thought," and a broader picture of the Czech gas market.

Czech Gas Market Evolution

In the Czech Republic, the natural gas market was initially based on the regulated access principle. The Energy Regulatory Office (ERO) limited operators and distribution systems, and determined tariffs for access to transmission and distribution systems. Thus, until 31 December 2004, Czech customers were not able to choose their natural gas supplier; all natural gas supplies were distributed solely through RWE Transgas.

On 1 January 2005, graduated natural gas market liberalization was launched, opening up the Czech gas market to a competitive environment. Nowadays, customers have the opportunity to choose between several gas suppliers. In addition to traditional suppliers (e.g. companies owned by RWE AG), there are plenty of small companies and the time-honored gas traders represented by E.ON, Gaz de France Suez or SPP Bratislava.

Today, the market is truly dynamic. The main objective of these reforms is to supply gas on the Czech market to large, medium and small final customers on a competitive terrain. This was our top priority too, since we always wanted to supply gas to our customers directly. According to the Czech Energy Law and Directives, by regulating activities in the gas market we can provide customers with exact knowledge of how much they are paying and what they are paying for and also give them a full account of the cost structure.

Since 1997, gas consumption in the Czech Republic has totaled on average 9.5 bcm with 75 percent of supplies delivered by Gazprom Export and the remaining 25 percent coming from Norwegian companies. The Czech Republic is 98 percent dependent on gas imports since its own production represents only two percent.

VEMEX Business Portfolio

VEMEX provides gas for industrial sectors of the national economy: power generation; chemicals (e.g. Česká rafinářská, Spolana Neratovice); food processing (e.g. breweries Plzeňský Prazdroj and Velkopopovický kozel); glass and ceramics (e.g. Laufen and Lasselsberger); wood processing (e.g. Kronspan company); brick production (e.g. Wienerberger company); roof materials production; paper processing; and motor car construction (e.g. Škoda Auto).

The company is currently owned by three shareholders: ZMB GmbH Berlin with a 51 percent share, Centrex Europe Energy and Gas AG with a 33 percent share, and East West Consult AG Switzerland with a 16 percent share.

In March 2006, VEMEX signed a contract with Gazprom Export; that same year, we supplied 12.9 mcm to our primary customer, Pražská plynárenská a.s. Just one year later, we were already supplying gas to 13 customers, with sales volumes reaching 245 mcm. In

2008, our sales volumes soared to almost 800 mcm, and our market share amounted to 8.64 percent. This year, we have a solid client base of 40 customers.

Due to strong competition in the energy market, much effort goes into building effective relationships between suppliers and customers by emphasizing trust, integrity and mutual understanding. We had to live up to the expectations of our customers during the January 2009 gas transit crisis between Ukraine and Russia. We were stuck for just one day, but managed to avoid panic and meet our obligations by contracting additional volumes of gas from our German partner company VNG.

The Czech Republic is one of the few European Union countries which has enough electricity at its disposal to export this commodity. However, in the years to come, the closure of nuclear power plant construction projects will lead to a

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Climbing Elbrus Mountain



Not only do our partners excel when it comes to their business ventures, but they also conquer new heights. Last summer, Uwe Schrapfs from WINGAS (on the right) made his way to the top of Elbrus Mountain (5,642 meters) in the Caucasus.

Kontinental Hockey League is Successful in Promoting Hockey as a Global Sport



The KHL, an international professional hockey league, was established in 2008 to increase public interest around hockey in Russia, Europe and Asia. Currently, 24 clubs from Russia, Belarus, Kazakhstan and Latvia are KHL members. There are four divisions, named in honor of legendary players and coaches: Vsevolod Bobrov, Anatoly Tarasov, Valery Kharlamov and Arkady Chernyshev. The KHL Championship is comprised of a regular season and a round of playoffs. In the playoffs, the 16 teams with the best regular season record compete for the Gagarin Cup.

The Kontinental Hockey League (KHL), which completed its inaugural season in May 2009, has been remarkably effective in promoting hockey as a global sport.

This year's inaugural season helped restore Russian, Latvian and Belorussian hockey teams to their former glory (all of them delegated their teams to the KHL), with the best proof of this in the strong showing of the teams at this year's World Cup in Switzerland.

A factor that contributed to the success of the KHL's first season was the participation of several popular NHL stars. These athletes helped attract hockey fans across Europe and North America, and provided a superb on-ice show that continued to draw a steady crowd throughout the season. Coverage

of the inaugural season reached a cumulative North American audience of nearly 200 million.

On 10 January 2009, the first KHL All-Star Game was held on Red Square in Moscow. Two teams, comprised of players from around the world, were led by NHL legends Jaromir Jagr and Alexei Yashin. Said Jagr of the historic event: "It was a great celebration of hockey. I dreamed of playing on Red Square and now my dream has come true. It's Red Square, what more can be said? Not the freezing weather, not the hard ice, but the historical setting of the 2009 All-Star Game. It was pretty cold, but we managed ok. There was a danger of

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The Success Story of Czech Flexibility

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shortage of power generation. We are looking into new sources to provide heating for our customers. Natural gas, without any doubt, is a viable option, especially when it comes to the construction of newly combined cycle plants. On top of that, gas represents an environmentally clean energy, an added appeal to the Czech public.

In fact, a number of investors are already counting on the combined cycle plants as a new source of power generation. We at VEMEX closely cooperate with Gazprom Marketing & Trading (GM&T) London, one of Gazprom Export's companies, when planning supplies to potentially new customers focused on combined cycle power plants. We believe this segment of the energy industry offers ample business opportunities for our growth.

About the Author



Hugo Kysilka was born on 2 March 1953. He graduated from Czech Technical University (ČVUT, Prague) and served on the faculty of the Mechanical Engineering Department (specialization in industrial economics). In 1980, Kysilka started his career at PZO Strojimport, where he specialized in exporting machine tools. From 1986 until 1991, he worked as a PZO Strojimport representative in Moscow. In 1989, he began cooperating with Transgas Praha. From 1991 until 2004, he held the position of representative and general representative of Transgas a.s in Moscow. In 2004, he began employment at VEMEX s.r.o. Currently, Kysilka holds the position of Vice President at VEMEX.

Open World: Art Therapy for Musical Prodigies

In 2009, Gazprom Export, in concert with a team of intergovernmental and corporate sponsors, launched a new social project called “Open World,” aimed at socially integrating children with special needs. This initiative has a simple, yet important purpose of carrying out creative activities for musically gifted children and teenagers regardless of their social status, background or development distinctions. Since 2006, the company has been hosting an International Children’s Music Festival called “Open Europe” in Austria.

Social education practices, such as art therapy and inclusion conducted through joint creative activities with younger children and those requiring special care, have achieved more effective and seamless peer-to-peer interaction and integration. Moreover, creative work with children has led to mutual understanding, tolerance and lasting friendships.

Educators participating in integrative activities of the “Open World” project are guided by a number of key principles. First, educators must recognize dissimilarities and differences as the norm, and have a broader understanding of health, which includes not only the physical condition, but also inner harmony and social health.

The main concept for “Open World” is as follows: special needs children are strong and healthy; they are able to take care of themselves and sometimes others. Taking the responsibility for oneself is the key to self-identification and to the right way of planning one’s life. In practice, art therapy has proved to be an effective educational technique.

This year, “Open World” has emerged as a new home for young prodigies. This project, along with the annual International Festival of Children’s Culture, and a whole array of other events, has evolved, under a new name, into a global social and cultural charity project.

The International Children’s Integration Artistic Camp held between 26 May and 1 June was a great success. The camp

united special needs children, orphans, children from problem families and children from families of migrants and refugees.

During five days in Steinschaler Dorfl (Lower Austria), more than 100 children from eight countries, coached by experienced educators, worked on various creative projects. On 1 June, International Children’s Day, the young prodigies presented their talents at a festival in the famous town of Baden, near Vienna. Their lively and vivid performances ranged from classical music, folklore singing and dancing, to acrobatics, mime shows and painting. This event was held under the auspices of UNICEF, first officials of Lower Austria and Vienna and the Mayor of Baden.



In the main square of the town and pedestrian area, there were stages and workshops where children demonstrated their versatile skills and practiced various arts and crafts. Many children were so excited by the artistic atmosphere of the festival that they participated in all of the available workshops.

Another pertinent and convincing example of the effectiveness of art therapy is when Voka, a famous Austrian painter, collaborated with “Open World.” The painter worked with several groups of children who painted independently of one another on large canvases, which were later combined into one huge painting. This project took place in Baden and was one of the brightest events of the gala show, alongside splendid music and dance performances.

The remarkable children’s festival in Baden illustrated once again that the enthusiasm of youth expressing itself in music and art, helps to achieve creativity even in the face of certain limitations. This was the ultimate goal of the project, which became a noticeable event in European social and cultural life.

“Open World” proved to be, in all respects, an original and dynamic project. In 2010, we expect to host another splendid festival of young prodigies.

The long-term “Open World” program was launched in Austria under the auspices of the Ministry for European

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Kontinental Hockey

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stretching limbs and getting hurt. That's why we played with care, although you saw for yourselves it was a real game. We wanted to win, and we did. We were focused on victory, not on putting on a show."

In addition to the on-ice excitement that the League provides, off the ice the KHL strengthens ties between the former Soviet republics; clubs from Russia, Kazakhstan, Belarus and Latvia are members of the League. Looking to the future, the KHL is seeking to expand by adding clubs from the former Soviet states, countries of Central and Eastern Europe and also Scandinavia. Additionally, participation of KHL clubs in European tournaments is crucial to boosting the overall quality of league play.

While the current global economic crisis poses a challenge to expansion, League President Alexander Medvedev is confident that the KHL can emerge stronger and more competitive. "I believe that crisis time is the best time to discuss future options," said Medvedev in an interview with The Canadian Press. "Because we should come back from the crisis stronger, more competitive and with better hockey, because if not, our fans will never forgive us."

The KHL views the current economic situation as temporary, and intends to move forward with plans to expand into Central and Eastern Europe and Scandinavia. Meanwhile, the KHL is investing in talent development, helping to make sure that today's youth will become the next generation of hockey superstars. The Youth Hockey League was recently established for young boys between the ages of 17–21. They will have their own regular tournament and ample opportunities to polish their skills.

All in all, during the KHL inaugural season, 775 hockey players took part in 733 games, and scored 3,975 goals.

Medvedev also believes that cooperation is essential to accelerating growth and promoting excellence. Says Medvedev: "The future of European hockey lies with internationalization, not with isolation. Cooperation is the only way for sustainable development. Europe needs a strong hockey league, and the basis of this league has been already established — its name is KHL."

The KHL leadership is confident that the league's second season, which started on 10 September, will serve as a formidable training ground leading up to the Vancouver Olympics early next year.

Open World: Art Therapy for Musical Prodigies

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and International Affairs of the Republic of Austria, Mayors of Vienna and Baden, heads of government of Lower Austria, the Embassy of the Russian Federation in Vienna, UNESCO and UNICEF. Among main partners, apart from Gazprom Export, were Austrian companies OMV, Centrex, GWH and Econgas. Since 2009, the program has been sponsored by Energy for Life, a non-profit charity fund. In autumn, the program will traditionally continue in Germany, where it is backed by Gazprom Germania, Wintershall Holding AG and VNG Verbundnetz AG. So far the program has involved more than 700 kids and teenagers from Russia, Austria, Italy, Germany, Bulgaria, Slovakia, Hungary, Ukraine, Romania, Belarus, Czech Republic, Georgia, Croatia, Macedonia, Kazakhstan, Serbia, Kyrgyzstan and Armenia. In the future, Gazprom Export plans to involve all of its business partners in supporting the project.

Gazprom Export Commences Haidach UGS Operations

On 1 October 2009, Gazprom Export began a procedure to offer storage capacities in the Haidach underground natural gas storage facility in Austria.

During an auction, Gazprom Export will allocate the available capacities totaling 40 mcm of working gas for short-term agreements to the highest bidders.

Potential storage customers will have the possibility to secure store-or-pay contracts for Level I Storage Capacity for a period of one year.

Storage prospects can register for the Allocation Phase and submit their applications between 12:00 p.m. (CET) on 1 October 2009 and 12:00 p.m. (CET) on 30 December 2009.

After completing registration, storage prospects can request their desired storage capacities for Level I Storage Capacity short-term agreements during the auction on 20 January 2010 between 8:00 a.m. (CET) and 4:00 p.m. (CET).