

Pricing Supplement dated 27 April 2004



Open Joint Stock Company Gazprom Series 2

U.S.\$1,200,000,000 8.625 per cent. Loan Participation Notes due 2034

issued by but with limited recourse to,
**Gaz Capital S.A., registered office at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg, Register of Commerce and Companies
Luxembourg B-95071 for the purpose of financing a loan to
Open Joint Stock Company Gazprom**

Under the Programme for the Issuance of Loan Participation Notes described in an Offering Circular (the "Offering Circular") dated 26 April 2004 (the "Programme"), Gaz Capital S.A. (the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue loan participation notes (the "Notes") on the terms set out in the Offering Circular, as supplemented by a pricing supplement (each a "Pricing Supplement") setting out the specific terms of each issue. The aggregate principal amount of Notes outstanding will not at any time exceed U.S.\$5,000,000,000 (or the equivalent in other currencies).

This Pricing Supplement is the Pricing Supplement applicable to the issue by the Issuer of Series 2 U.S.\$1,200,000,000 8.625 per cent. Loan Participation Notes due 2034 (the "Notes"). Terms defined in the Offering Circular have the same meaning in this Pricing Supplement. The Notes are issued on the terms set out in this Pricing Supplement read together with the Offering Circular.

In each case where amounts of principal, interest and additional amounts (if any) are stated to be payable in respect of the Notes, the obligation of the Issuer to make any such payment constitutes an obligation only to account to the Noteholders, on each date upon which such amounts of principal, interest and additional amounts (if any) are due in respect of the Notes, for an amount equivalent to all principal, interest and additional amounts (if any) actually received by or for the account of the Issuer pursuant to the Loan. **Noteholders will be deemed to have accepted and agreed that they will be relying solely on the credit and financial standing of the Borrower in respect of the payment obligations of the Issuer under the Notes.**

The sole purpose of issuing the Notes will be to finance a loan (the "Loan") to Open Joint Stock Company Gazprom (the "Borrower," "Gazprom" or the "Company") as borrower, on the terms of a facility agreement between the Issuer and the Borrower dated September 22, 2003 (the "Facility Agreement"), as amended and supplemented by a loan supplement dated 27 April 2004 (the "Loan Supplement" and, together with the Facility Agreement, the "Loan Agreement") between the Issuer and the Borrower. Subject as provided in the Trust Deed (as defined herein) the Issuer will charge, by way of first fixed charge as security for its payment obligations in respect of the Notes and under the Trust Deed, its rights and interests as lender under the Loan Agreement to Deutsche Bank Trust Company Americas as trustee (the "Trustee"), for the benefit of the holders of the Notes (the "Noteholders") and will assign its administrative rights under the Loan Agreement to the Trustee (the "Assigned Rights").

AN INVESTMENT IN THE NOTES INVOLVES A HIGH DEGREE OF RISK. SEE "RISK FACTORS" SET OUT IN THE OFFERING CIRCULAR.

The Notes and the Loan (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act") and, subject to certain exceptions, may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons. The Notes may be offered and sold (i) within the United States to qualified institutional buyers (as defined in Rule 144A under the Securities Act ("Rule 144A")) that are also qualified purchasers as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940 (the "Investment Company Act") in reliance on the exemption from registration provided by Rule 144A (the "Rule 144A Notes"); and (ii) to certain persons in offshore transactions in reliance on Regulation S under the Securities Act (the "Regulation S Notes"). The Issuer has not been and will not be registered under the Investment Company Act. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions, see "Subscription and Sale" and "Transfer Restrictions" as set out in the Offering Circular.

Application has been made to list the Notes on the Luxembourg Stock Exchange. Application will also be made to have Rule 144A Notes designated as eligible for trading in the Private Offering, Resale and Trading through Automated Linkages ("PORTAL") System of the National Association of Securities Dealers, Inc.

The Regulation S Notes and the Rule 144A Notes will be offered and sold in denominations as will be set out in the Pricing Supplement. The Regulation S Notes will initially be represented by a global unrestricted Note in registered form (the "Regulation S Global Note"), without interest coupons, which will be deposited with a common nominee for, and registered in the name of a common nominee of, Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on the Issue Date. Beneficial interests in the Regulation S Global Note will be shown on, and transfers thereof will be effected only through records maintained by, Euroclear or Clearstream, Luxembourg. The Rule 144A Notes will initially be represented by a global restricted Note in registered form (the "Rule 144A Global Note" and together with the Regulation S Global Note, the "Global Notes"), without interest coupons, which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC") on the Issue Date. Beneficial interests in the Rule 144A Global Note will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. Individual definitive Notes in registered form will only be available in certain limited circumstances as described in the Offering Circular.

Joint Lead Managers

Credit Suisse First Boston

Deutsche Bank Securities

Senior Co-Lead Manager

JSCB Rosbank

Co-Lead Managers

ABN AMRO

Credit Lyonnais Securities (USA)

Merrill Lynch International

UBS Investment Bank

Commerzbank Securities

Dresdner Kleinwort Wasserstein

Renaissance Capital

Pricing Supplement

Pricing Supplement dated 27 April 2004

Series 2

Open Joint Stock Company GAZPROM
Issue of U.S.\$1,200,000,000 8.625 per cent. Loan Participation Notes due 2034
by Gaz Capital S.A., for the purpose of financing a Loan to
Open Joint Stock Company GAZPROM
under a U.S.\$5,000,000,000 Programme for the Issuance of Loan Participation Notes

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 26 April 2004 (the "Offering Circular"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

1	(i) Issuer:	Gaz Capital S.A.
	(ii) Borrower:	Open Joint Stock Company GAZPROM
2	Series Number:	2
3	Specified Currency:	United States Dollars ("U.S.\$")
4	Aggregate Principal Amount:	U.S.\$1,200,000,000
5	(i) Issue Price:	100 per cent. of the Aggregate Principal Amount
	(ii) Net proceeds:	U.S.\$1,200,000,000
6	Specified Denominations:	U.S.\$10,000 and integral multiples of U.S.\$1,000 thereafter, except that Rule 144A Notes shall not be issued in amounts less than U.S.\$100,000
7	(i) Issue Date:	28 April 2004
	(ii) Interest Commencement Date:	28 April 2004
8	Maturity Date:	28 April 2034
9	Interest Basis:	8.625 per cent. Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	Status and Form of the Notes:	Senior, Registered
13	Listing:	Luxembourg
14	Method of distribution:	Syndicated
15	Financial Centres (Condition 7):	London, New York
16	Loan:	U.S.\$1,200,000,000

**PROVISIONS RELATING TO INTEREST PAYABLE
UNDER THE LOAN**

17	Fixed Rate Note Provisions:	Applicable
(i)	Rate of Interest:	8.625 per cent. per annum payable semi-annually in arrear in equal instalments
(ii)	Interest Payment Date(s):	28 April and 28 October in each year (not adjusted), commencing 28 October 2004
(iii)	Fixed Coupon Amount(s):	U.S.\$86.25 per U.S.\$1,000 in principal amount and U.S.\$862.50 per U.S.\$10,000 in principal amount
(iv)	Broken Amount:	Not Applicable
(v)	Day Count Fraction (Condition 5):	30/360
(vi)	Determination Date(s) (Condition 5):	Not Applicable
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
18	Floating Rate Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19	Final Redemption Amount of each Note:	U.S.\$1,000 per Note of U.S.\$1,000 specified denomination and U.S.\$10,000 per Note of U.S.\$10,000 specified denomination
20	Early Redemption Amount(s) of each Note payable if the Loan should become repayable under the Loan Agreement prior to the Maturity Date:	U.S.\$1,000 per Note of U.S.\$1,000 specified denomination, plus accrued interest, if any and U.S.\$10,000 per Note of U.S.\$10,000 specified denomination, plus accrued interest, if any

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21	Other terms or special conditions:	<p>The Notes may be redeemed at the option of the Noteholders at their principal amount together with accrued interest to the date of redemption on 28 April 2014.</p> <p>Accordingly, the following shall be added to Condition 6:</p> <p>“The Issuer shall, at the option of the Holder of any Note redeem such Note on 28 April 2014 (the “Put Settlement Date”) at its principal amount together with accrued interest. To exercise such option a Holder must deposit the Note or Notes to be redeemed with any Paying Agent together with a duly completed put redemption notice (the “Put Option Notice”) in the form obtainable from any of the Paying Agents, not more than 60 but not less than 30 days prior to the Put Settlement Date. No Note so deposited may be withdrawn.</p> ”
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Provided, however, that if, prior to the Put Settlement Date, a Relevant Event has occurred or, upon due presentation of any Note on the Put Settlement Date, payment of the redemption moneys is improperly withheld or refused, such Note shall, without prejudice to the exercise of the Put Option, be returned to the Holder by uninsured first class mail (airmail if overseas) at such address as may have been given by such Holder in the relevant Put Option Notice.

Subject to timely receipt of the relevant amounts from the Borrower under the Loan Agreement, the Issuer shall redeem the Notes in accordance with this Condition 6 on the Put Settlement Date, subject as provided in Condition 7 (Payments).”

DISTRIBUTION

22	(i) If syndicated, names of Managers:	Credit Suisse First Boston (Europe) Limited Deutsche Bank Securities Inc. Joint Stock Commercial Bank Rosbank ABN AMRO Bank N.V. Commerzbank Aktiengesellschaft Credit Lyonnais Securities (USA) Inc. Dresdner Bank AG London Branch Merrill Lynch International Renaissance Securities (Cyprus) Limited UBS Limited
	(ii) Stabilising Agent (if any):	Deutsche Bank Securities Inc.
	(iii) Dealer’s Commission:	1.15 per cent. of the aggregate principal amount of the Notes
23	If non-syndicated, name of Dealer:	Not Applicable
24	Additional selling restrictions:	Federal Republic of Germany: The Notes have not been and will not be publicly offered in Germany and, accordingly, no securities sales prospectus (<i>Verkaufsprospekt</i>) for a public offering of the Notes in Germany in accordance with the Securities Sales Prospectus Act of 9 September 1998, as amended (<i>Wertpapier-Verkaufsprospektgesetz</i> , the "Prospectus Act"), has been or will be published or circulated in the Federal Republic of Germany. Each Manager has represented and agreed that it has only offered and sold and will only offer and sell the Notes in the Federal Republic of Germany to persons who

purchase and sell securities as part of their profession or business either for their own account or for the account of a third person pursuant to § 2 No. 1 of the Prospectus Act and in accordance with the other provisions of the Prospectus Act and any other laws applicable in the Federal Republic of Germany governing the issue, sale and offering of securities. Any resale of the Notes in the Federal Republic of Germany may only be made in accordance with the provisions of the Prospectus Act and any other laws applicable in the Federal Republic of Germany governing the sale and offering of securities.

Republic of Italy: The Notes are being issued and offered outside the Republic of Italy. Therefore, the offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) (the Italian securities exchange commission) pursuant to Italian securities legislation, nor has the offer been notified to the Bank of Italy in compliance with Article 129 of the Italian Banking Act. Accordingly, the Issuer and each of the Managers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes in the Republic of Italy. In addition, Gazprom, the Issuer and each of the Managers has represented and agreed that it has not distributed or caused to be distributed in the Republic of Italy, the Offering Circular, the Pricing Supplement or any other offering material relating to the Notes.

OPERATIONAL INFORMATION

25	ISIN Code:	XS0191754729
26	Common Code:	019175472
27	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Rule 144 A Notes The Depository Trust Company CUSIP 368266 AA O ISIN: US368266AA08
28	The Agents appointed in respect of the Notes are:	Deutsche Bank AG London Deutsche Bank Luxembourg S.A. Deutsche Bank Trust Company Americas

GENERAL

- 29** Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 10: Not Applicable
- 30** The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of U.S.\$[●], producing a sum of (for Notes not denominated in U.S. dollars): Not Applicable

USE OF PROCEEDS

The proceeds from the offering of the Notes will be used by the Issuer for the sole purpose of financing the Loan. The proceeds of the Loan, expected to be U.S.\$1,200,000,000 before taking into account commissions and expenses, will be used by Gazprom for general corporate purposes, including, in particular, retirement of short-term indebtedness. Total commissions and expenses relating to the offering of the Notes are expected to be approximately U.S.\$15,244,573.

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$5,000,000,000 Programme for the Issuance of Loan Participation Notes of Gazprom.

STABILISING

In connection with this issue, Deutsche Bank Securities Inc. (the "Stabilising Agent") or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Agent or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in the Offering Circular, there has been no significant change in the financial or trading position of the Issuer, Gazprom or of the Group since 31 December 2002 and no material adverse change in the financial position or prospects of the Issuer, Gazprom or of the Group since 31 December 2002.

RESPONSIBILITY

The Issuer and Gazprom accept responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:

Signed on behalf of Gazprom:

By:

By:

Duly authorised

Duly authorised

By:

By:

Duly authorised

Duly authorised

Loan Supplement

The following is the text of the Loan Supplement that has been entered into between us and the Issuer in relation to the Loan, which should be read in conjunction with, and is supplemental to, the Facility Agreement.

This Loan Supplement is made on 27 April 2004 **between:**

- (1) **GAZ CAPITAL S.A.**, a société anonyme established under the laws of Luxembourg whose registered office is at 2, Boulevard Konrad Adenauer L-1115 Luxembourg, registered with the Register of Commerce and Companies, Luxembourg under number B - 95071 (the “**Lender**”); and
- (2) **OPEN JOINT STOCK COMPANY GAZPROM**, a company established under the laws of the Russian Federation whose registered office is at 16 Nametkina Street, 117884 Moscow, Russian Federation (“**Gazprom**”).

Whereas:

- (A) Gazprom has entered into a facility agreement dated 22 September 2003 (the “**Facility Agreement**”) with the Lender in respect of Gazprom’s U.S.\$5,000,000,000 Programme for the Issuance of Loan Participation Notes (the “**Programme**”).
- (B) Gazprom proposes to borrow U.S.\$1,200,000,000 (the “**Loan**”) and the Lender wishes to make such Loan on the terms set out in the Facility Agreement and this Loan Supplement.

It is agreed as follows:

1 Definitions

Capitalised terms used but not defined in this Loan Supplement shall have the meaning given to them in the Facility Agreement save to the extent supplemented or modified herein.

2 Additional Definitions

For the purpose of this Loan Supplement, the following expressions used in the Facility Agreement shall have the following meanings:

“**Account**” means the account in the name of the Lender with the Principal Paying Agent (account number 0020220 0040 USD 180 CTA);

“**Closing Date**” means 28 April 2004;

“**Gazprom Account**” means the account in the name of Gazprom (account number 40702840300000000001 with GAZPROMBANK, Moscow, Russia; Swift Code: GAZPRUMM; Correspondent Account number 04414534 with Deutsche Bank Trust Company Americas, New York, United States of America; Swift Code: BKTRUS33 ;

“**Loan Agreement**” means the Facility Agreement as amended and supplemented by this Loan Supplement;

“**Notes**” means U.S.\$1,200,000,000 8.625 per cent. Loan Participation Notes due 2034 issued by the Lender as Series 2 under the Programme;

“**Repayment Date**” means 28 April 2034;

“**Specified Currency**” means United States Dollars (“U.S.\$”);

“**Subscription Agreement**” means an agreement between the Lender, Gazprom, Credit Suisse First Boston (Europe) Limited, Deutsche Bank Securities Inc. and the other managers named therein and dated 27 April 2004 relating to the Notes; and

“**Trust Deed**” means the Principal Trust Deed between the Lender and the Trustee dated 22 September 2003 as amended and supplemented by a Supplemental Trust Deed to be dated on or about 28 April 2004 constituting and securing the Notes.

3 Incorporation by Reference

Except as otherwise provided, the terms of the Facility Agreement shall apply to this Loan Supplement as if they were set out herein and the Facility Agreement shall be read and construed, only in relation to the Loan constituted hereby, as one document with this Loan Supplement.

4 The Loan

4.1. Drawdown

Subject to the terms and conditions of the Loan Agreement, the Lender agrees to make the Loan on the Closing Date to Gazprom and Gazprom shall make a single drawing in the full amount of the Loan.

4.2. Interest

The Loan is a Fixed Rate Loan and the Notes comprise a Rule 144A Series. Interest shall be calculated, and the following terms used in the Facility Agreement shall have the meanings, as set out below:

4.2.1. Fixed Rate Loan Provisions	Applicable
(i) Interest Commencement Date	28 April 2004
(ii) Rate of Interest:	8.625 per cent. per annum payable semi-annually in arrear in equal instalments
(iii) Interest Payment Date(s):	28 April and 28 October in each year (not adjusted), commencing 28 October 2004
(iv) Fixed Amount:	U.S.\$86.25 per U.S.\$1,000 in principal amount of the Loan
(v) Broken Amount:	Not Applicable
(vi) Day Count Fraction (Clause 4.9):	30/360
(vii) Determination Date(s) (Clause 4.9):	Not Applicable
(viii) Other terms relating to the method of calculating interest for Fixed Rate Loans:	Not Applicable
4.2.2. Floating Rate Loan Provisions	Not Applicable

4.3. Prepayment on Put Settlement Date

- (a) Following notification from the Issuer, Gazprom shall prepay the Loan (without premium or penalty), to the extent of the aggregate principal amount of the Notes to be properly redeemed in accordance with Condition 6 of the terms and conditions of the Notes, two Business Days prior to 28 April 2014 (the “**Put Settlement Date**”).
- (b) The Issuer shall notify Gazprom, not more than three Business Days after receipt of notice thereof from the Paying Agent, of the amount of the Loan to be prepaid as a consequence of the exercise by Noteholders of the option contained in Condition 6 of the terms and conditions of the Notes.

5 Fees and Expenses

Pursuant to Clause 3.2 of the Facility Agreement and in consideration of the Lender making the Loan to Gazprom, Gazprom hereby agrees that it shall, one Business Day before the Closing Date, pay to the Lender, in Same-Day Funds, the amount of the reimbursable expenses incurred by the Lender in connection with such Loan, which expenses shall include the amount of all of the commissions, fees, costs and expenses as set forth in sub-clause 5.1 of the Subscription Agreement, paragraphs 1 and 4 of the Fee Side Letter and sub-clauses 3.2 and 13.1 of the Facility Agreement pursuant to an invoice submitted by the Lender to Gazprom in the total amount of U.S.\$15,244,573. The parties agree that Clause 3.2 of the Facility Agreement shall be amended in relation to the Loan by the deletion of the words “two Business Days before” and the insertion in their place of the words “one Business Day before”.

6 Governing Law

This Loan Supplement shall be governed by and construed in accordance with English law.

This Loan Supplement has been entered into on the date stated at the beginning.