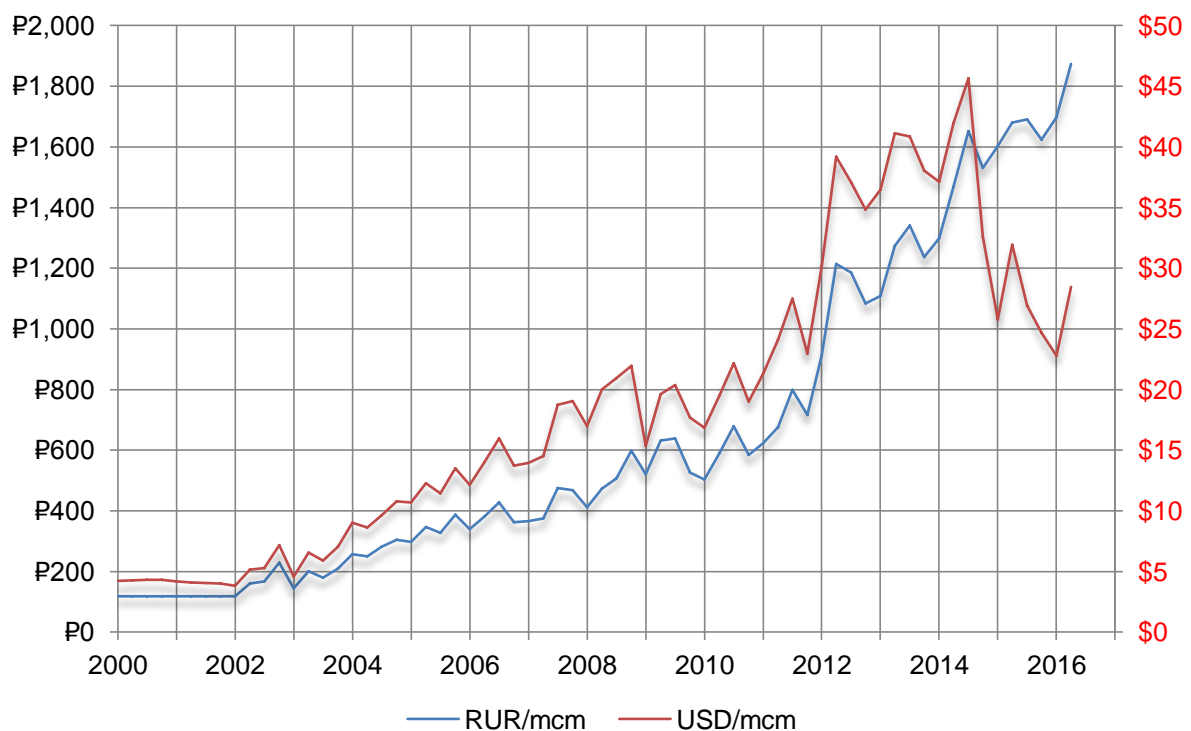


### Gazprom reports average gas production cost at \$0.9/MMBtu

According to the segment information of the financial report of Gazprom for January-June 2016, the average production cost of natural gas in Q2-2016 was at ₺1873 per 1000 cubic meters (mcm) or \$28.43/mcm or \$0.89/MMBtu (an increase from ₺1698/mcm or \$22.76/mcm or \$0.71/MMBtu in Q1-2016).

The average cost of 2015 was reported at ₺1643/mcm or \$27.09/mcm and \$0.84/MMBtu. The cost in US dollars is affected by the devaluation of Russian ruble. The average US dollar rate in 2015 was ₺60.66 compared with ₺65.88 in Q2-2016.

Figure 1. Average Gas Production Cost of Gazprom per 1000 cub m



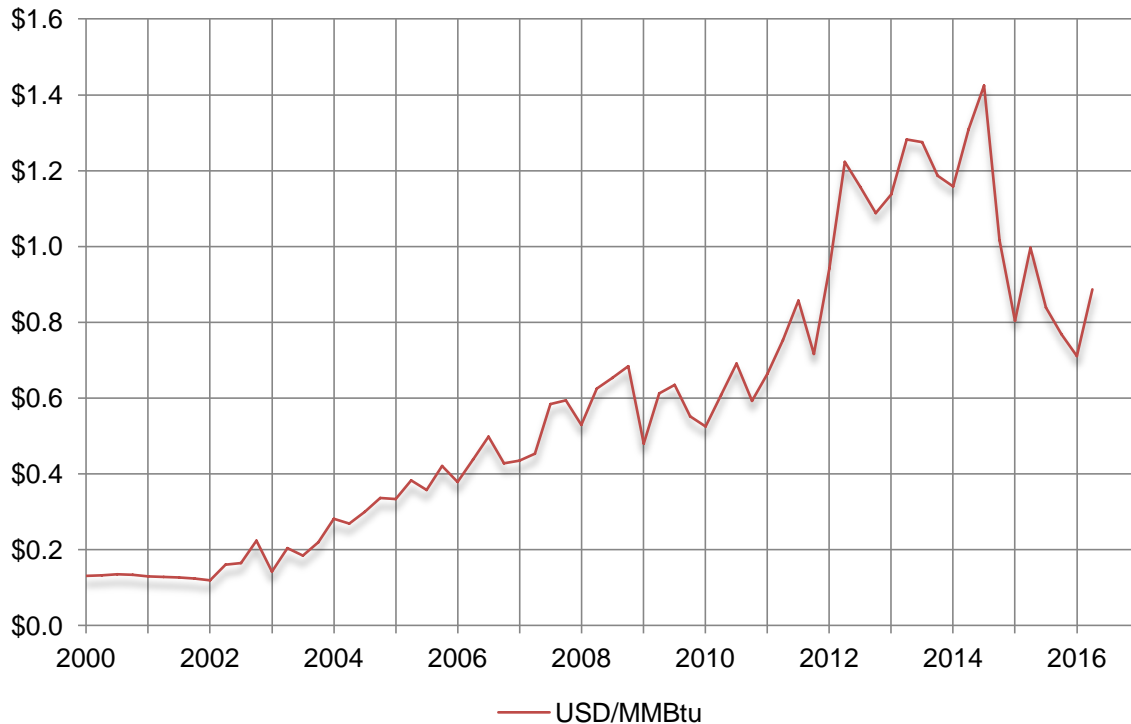
Sources: Annual and quarterly financial reports of Gazprom.

Notes: (1) There are no quarterly data for 2000-2001;  
 (2) Dollar costs are based on the average exchange rate of the corresponding period.

The average cost in H1-2016 is reported at ₺1773/mcm or \$25.29/mcm or \$0.79/MMBtu compared with ₺1636/mcm or \$28.60/mcm or \$0.89/MMBtu in H1-2015. Russia's Central Bank reported the average US dollar rate at ₺70.10 in H1-2016 and at ₺57.20 in H1-2015.

The average price of gas sold out of the former Soviet Union in Q2-2016 is reported at \$176.2/mcm or \$5.5/MMBtu. The IMF estimated the price of Russian gas at the border of Germany at \$4.02/MMBtu in April, \$3.99 in May and at \$4.04 in June 2016.

Figure 2. Gas Production Cost of Gazprom per Million BTU



Sources: Annual and quarterly financial reports of Gazprom.

Notes: (1) There are no quarterly data for 2000-2001;  
(2) Dollar costs are based on the average exchange rate of the corresponding period.

Cubic meters are converted to British thermal units with the help of official [conversion factors](#) of the IFRS reports of Gazprom.

1000 cubic meters of Gazprom = 32.056 MMBtu

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