Average gas production cost of Gazprom drops to about $0.9/MMBtu
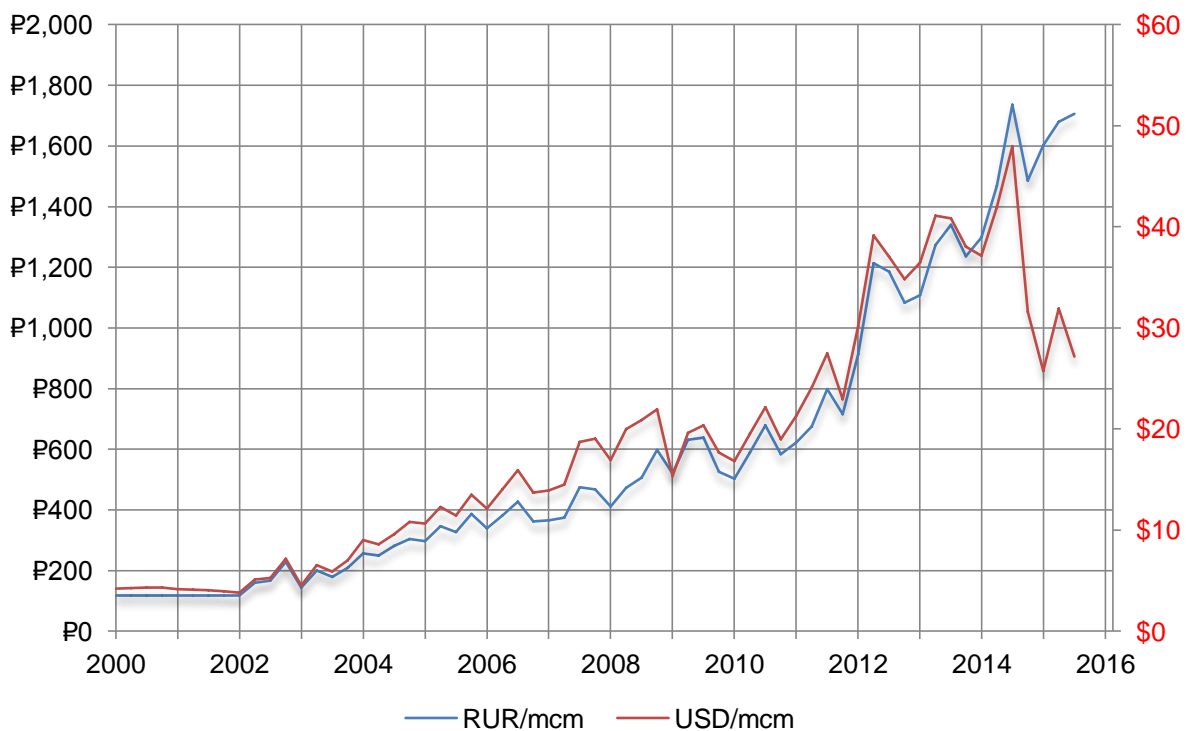
Based on segment information presented in the financial report of Gazprom for January-September 2015, the average production cost of natural gas in Q3-2015 is estimated at ₽1707 per 1000 cubic meters (mcm) or $27.15/mcm or $0.85/MMBtu.

The corresponding numbers for Q3-2014 are ₽1665/mcm, $46.03/mcm and $1.44/MMBtu. The cost in US dollars is affected by the devaluation of Russian ruble. The average US dollar rate of Q3-2015 was ₽62.85 compared with ₽36.18 of Q3-2014.

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

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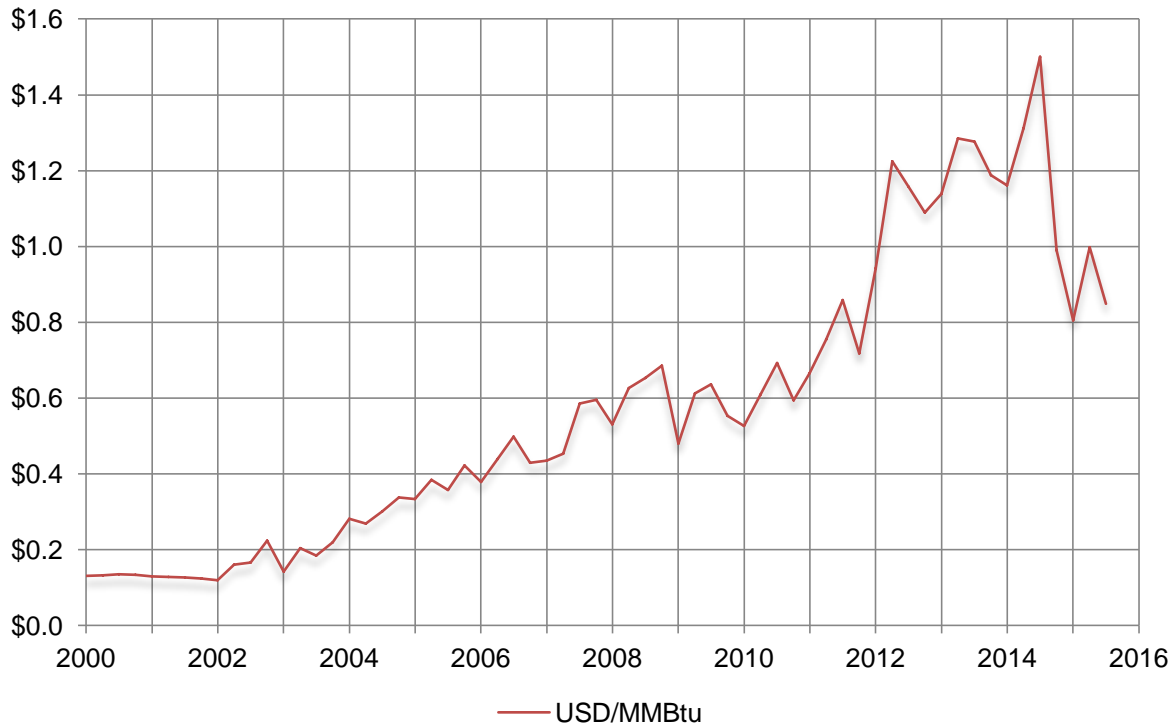Notes: (1) There are no quarterly data for 2000-2001;
                 (2) Dollar costs are based on the average exchange rate of the corresponding period.

The average gas production cost of the first nine months of 2015 is estimated at ₽1656/mcm or $28.07/mcm or $0.88/MMBtu. The Central Bank of the Russian Federation reports the average US dollar rate for the nine-month period of January-September 2015 at ₽59.02.

The average price of gas exported out of the former Soviet Union in Q3-2015 is reported at $220.9/mcm or $6.9/MMBtu. The average price for the nine-months period is reported at $252.1/mcm or $7.9/MMBtu.

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 = 33.8 GJ = 32.0 MMBtu

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