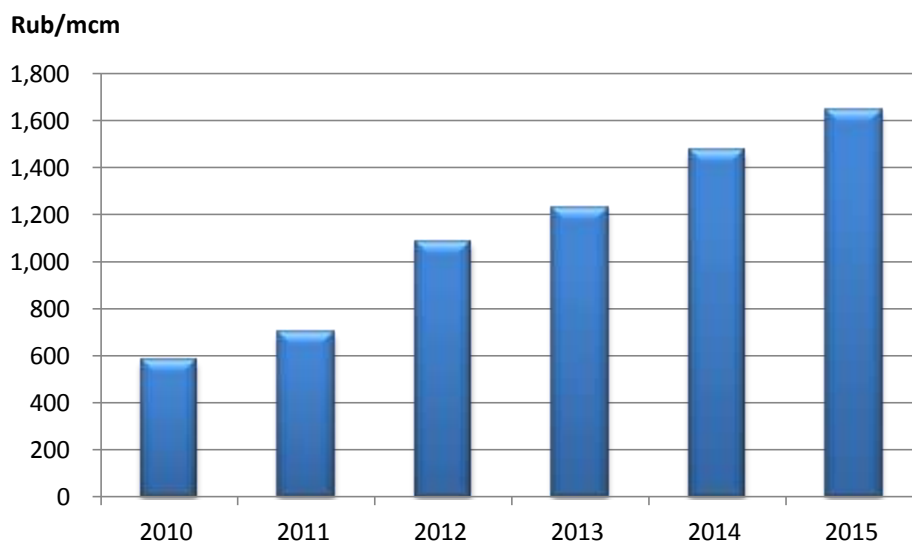


### Average gas production cost of Gazprom reported at \$0.84/MMBtu

Gazprom reported the average production cost of natural gas in 2015 at ₺1643 per 1000 cubic meters (mcm) or \$27.09/mcm or \$0.84/MMBtu.

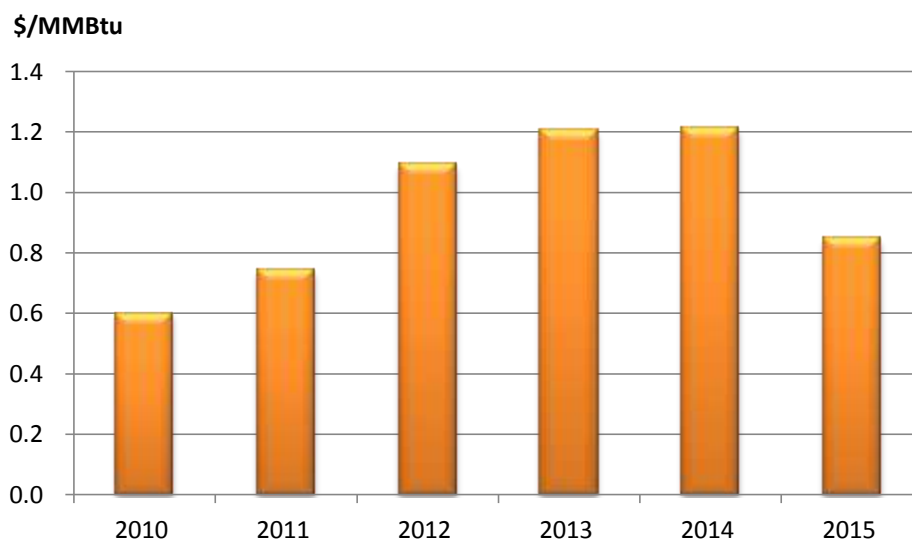
The corresponding numbers for 2014 are ₺1470/mcm, \$38.73/mcm and \$1.21/MMBtu. The cost in US dollars is affected by the devaluation of Russian ruble. The average US dollar rate in 2015 was ₺60.66 compared with ₺37.97 in 2014.

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



Sources: Annual financial reports of Gazprom.

Figure 2. Average Gas Production Cost of Gazprom, \$/MMBtu



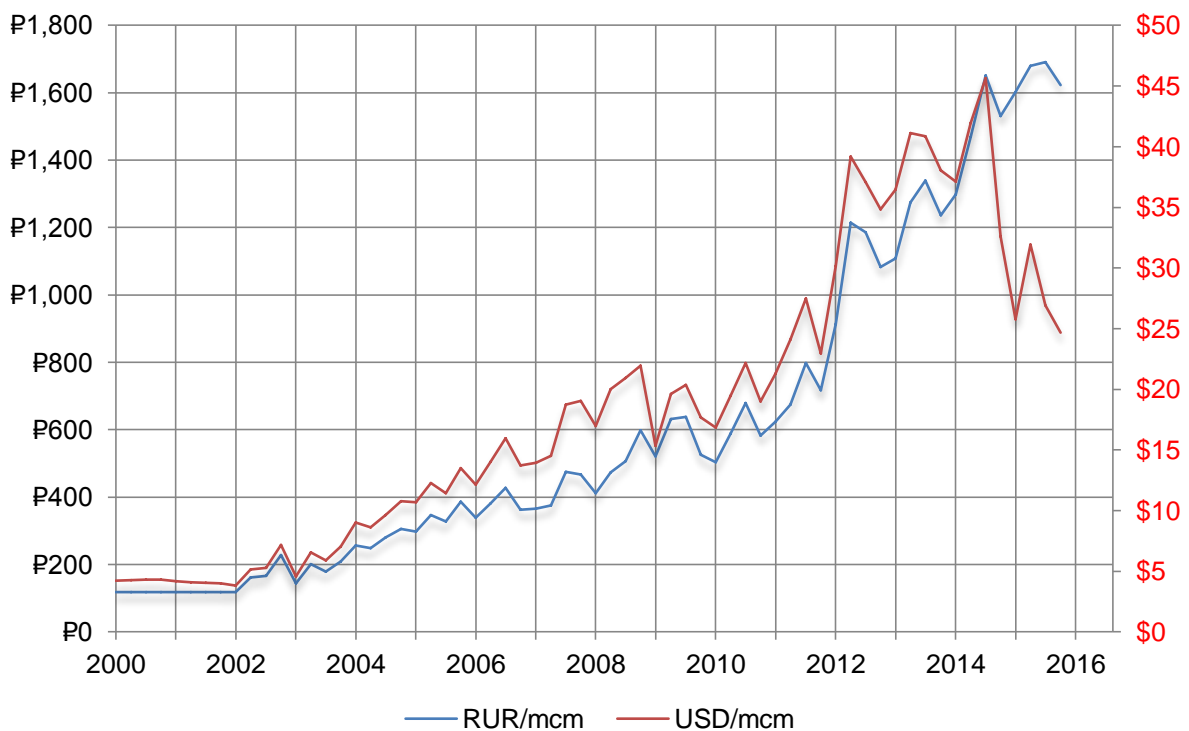
Sources: Annual financial reports of Gazprom.

Note: Dollar costs are based on the average exchange rate of the corresponding period.

Note that the Russian government was steadily increasing the severance (mineral production) tax from 2012.

The average gas production cost in Q4-2015 is calculated at ₺1623/mcm or \$24.65/mcm or \$0.77/MMBtu. The Central Bank of the Russian Federation reports the average US dollar rate for in Q4-2015 at ₺65.86.

Figure 3. Average Gas Production Cost of Gazprom per 1000 cub m



Sources: Annual and quarterly financial reports of Gazprom.

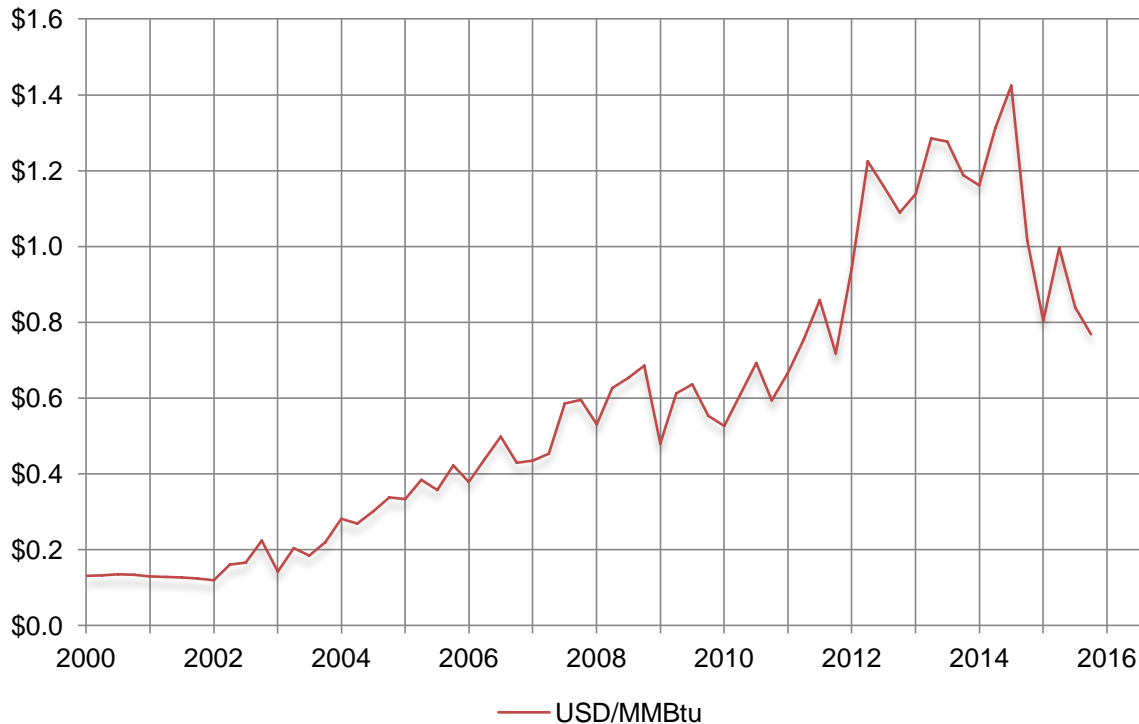
Notes: (1) There are no quarterly data for 2000-2001;  
 (2) Dollar costs are based on the average exchange rate of the corresponding period.

The gas production cost in Q3-2015 is reported at ₺1690/mcm or \$26.90/mcm or \$0.84/MMBtu. The Central Bank of the Russian Federation reports the average US dollar rate for in Q3-2015 at ₺62.85.

Our calculations are based on segment information presented in the annual and quarterly financial reports of Gazprom and gas production volumes reported in the corresponding presentations.

Gazprom has slightly adjusted the production volumes for earlier periods.

Figure 4. 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

Mikhail Korchemkin  
 East European Gas Analysis  
 Malvern, PA 19355  
 USA

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