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Gazprom Sees 2011 Export Revenues Rising

By The Moscow Times

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BERLIN — Gazprom expects export revenues, one of the company's key earnings figures, to rise further in 2011, deputy chief executive Alexander Medvedev said Friday.

Export revenues are set to continue their rise after advancing to the predicted $45 billion this year, Medvedev, the gas company's export chief, said in an interview.

"In 2011 we anticipate that there will be more gas sold and that the level of the price — we are rather sure — will not go down, in view of the situation with the spot market as well as the crude oil price situation," he said.

The price for oil recovered to $77 per barrel Friday in the United States, the world's largest market for the fuel, after reaching a low of less than $65 per barrel in May.

Gazprom's total revenue is predicted to rise to $124.4 billion in 2011 from an estimated $113.1

billion this year, according to Thomson Reuters StarMine. StarMine gives more weight to recent analyst estimates and to forecasts by analysts who were more accurate in the past.

Medvedev said in January that gas demand in Europe, Gazprom's main market outside Russia, would return to pre-crisis levels around 2012-13, which is close to the estimates of analysts, who expect power demand to have recovered by the middle of the decade.

As state-run Gazprom seeks to find new customers for its gas, negotiations with energy-hungry China are progressing.

The company expects to deliver gas to China from 2015, and it assumes that the parameters of the contract — except for the price — with the China National Petroleum Company will be sealed in September, Medvedev said.

The two parties will probably agree on the price in mid-2011, he said.

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