

Gazprom Neft's Q2 Net Rises 3%

By [The Moscow Times](#)

August 18, 2010

The  Moscow Times

Russia's No. 5 oil producer Gazprom Neft said its second-quarter profit rose 3 percent year on year, after it adjusted down its net income from the second quarter of 2009 by \$475 million.

Analysts in a Reuters poll expected the firm's net profit to drop 40 percent to \$721 million for the quarter, as the company had reported \$1.2 billion in profit in the second quarter of last year.

That \$1.2 billion figure was boosted by Gazprom Neft's one-off gain from the purchase of a controlling stake in midsize producer Sibir Energy, but on Wednesday, Gazprom Neft adjusted it to remove the exceptional gain, giving \$725 million.

This means that this year's second-quarter net profit figure of \$747 million was higher.

Gazprom Neft, the oil arm of Russian gas export monopoly Gazprom, said its revenues rose 52 percent to \$8.03 billion in the three months to June, up from \$5.3 billion a year ago, beating analyst estimates.

The company's earnings before interest, taxation, depreciation and amortization rose 3 percent to \$1.55 billion, compared with \$1.50 billion in the same period last year.

Other Russian oil producers, including state-owned Rosneft and BP's Russian joint venture TNK-BP posted much larger gains in net profit for the period on the back of higher oil prices and output.

Gazprom Neft said its production for the quarter was up 8.3 percent from the second quarter of last year.

Output increases are continuing, recent data show.

In July, the company produced 609,000 barrels of crude per day, according to Energy Ministry data, up 0.6 percent from June.

The average price per barrel of Urals — Russia's main crude oil export blend — during the reporting period was \$76.60, 30 percent above the second-quarter average in 2009, which stood at \$57.86.

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