

# Rosneft Profits Likely to Dip

By [The Moscow Times](#)

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Rosneft may see profits narrow in line with rivals by the third quarter of 2011, when tax exemptions for the Vankor deposit are expected to end.

“Rosneft’s net will come back to earth,” Alexei Kokin, an analyst at UralSib, said Friday. “They will probably still be more profitable than peers in the upstream because of lower costs.”

Output from Vankor, Russia’s largest new development, will in August likely reach 25 million tons, the limit for exemptions from the mineral extraction tax, according to Bloomberg calculations confirmed by a spokesman for Rosneft who declined to be identified.

Discounts to export duties for Vankor will last until the end of April, Prime Minister Vladimir Putin said last month.

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