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Hydrocarbon Production Still Rising

By The Moscow Times

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Oil output grew to 10.21 million barrels per day in January, as Gazprom Neft increased output and LUKoil halted monthly declines.

Output increased 1.6 percent from a year earlier and 0.5 percent from the previous month, according to preliminary data from the Energy Ministry's CDU-TEK statistics unit.

"Good figures, everything looks normal," said Alexander Nazarov, senior energy analyst at Metropol. "LUKoil wasn't bad, as it halted month-on-month declines."

Output reached 10.27 million bpd in October.

LUKoil increased output by 0.8 percent from December, the first monthly growth since June, according to the statistics. Compared with a year earlier, the company's production slumped 5.1 percent, reaching 1.75 million bpd.

Bashneft and Gazprom Neft led in monthly output growth rates, Nazarov said. Daily output by

Gazprom and Novatek also rose, probably on the back of condensate increases, he said. Gas condensate, a liquid often produced along with natural gas, is included in Russia's oil statistics.

Bashneft raised output 11.5 percent year on year and 2.5 percent from the previous month to 300,000 bpd. Gazprom Neft increased output by 1.1 percent from a year earlier and 2.5 percent from the previous month to 600,000 bpd.

Rosneft, Russia's biggest oil producer, boosted output by 3.4 percent from a year earlier and by 0.9 percent from the previous month to 2.3 million bpd, with the help of its Siberian Vankor deposit, the country's largest new oil project.

Crude exports fell to 5.15 million bpd, a 2.4 percent decline from a year earlier and a 7.1 percent drop from the previous month, according to the data.

Natural gas output fell 0.3 percent to 2.05 billion cubic meters a day from a year earlier. That amounted to a 1.5 percent gain from December.

Gazprom, Russia's biggest gas producer and its monopoly exporter of the fuel, produced 1.6 bcm in January, a decrease of 3.7 percent from a year earlier and 1 percent lower than the previous month, according to the data.

As Gazprom gas output retreated, Novatek's output jumped 31 percent from a year earlier and 16 percent from the previous month, totaling 150 million cubic meters. This may indicate that the smaller gas producer is gaining a bigger share of the domestic market, Nazarov said.

"Novatek's output went through the roof," Nazarov said. "It looks like Gazprom continues losing its market share in Russia but at the same used a positive gas spot market situation and also enjoys a cold winter in the EU."

Gas export may help in terms of revenue to compensate for losing ground in the Russian market, he said.

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