

Gazprom Neft Profits Up, Eyes Sibir

By [The Moscow Times](#)

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Motorists using Gazprom Neft winter diesel fuel are paying 1 ruble less per liter at the pumps as of Saturday. **Denis Grishkin**

Gazprom Neft, the oil arm of natural gas exporter Gazprom, may buy the remaining shares of Sibir Energy from the city of Moscow as early as this month.

The company may buy the 22.4 percent stake in February or March, Yekaterina Stenyakina, a Gazprom Neft spokeswoman, said Friday. She didn't say a price.

Sibir Energy owns half a Siberian oil production venture with Royal Dutch Shell that last year supplied Gazprom Neft with more than 80,000 barrels per day, according to the company.

Gazprom Neft and Sibir also control the Moscow Refinery, which processed 10.15 million tons of crude last year.

Gazprom Neft spent \$2.51 billion in building up a stake of about 80 percent in the company between April 2009 and May last year. In July, it sold about 3 percent to Moscow, the oil

producer said in its third-quarter financial statement.

Gazprom Neft plans to boost oil and gas output about 7.6 percent, and increase capital expenditures, according to a company presentation to analysts Friday.

The oil producer plans to produce 56.8 million tons of oil equivalent (1.14 million bpd) this year, compared with 52.8 million tons last year.

Investments may decline as Gazprom Neft boosts capital expenditures about 15 percent to \$3.8 billion and cuts planned "new projects" by half to \$800 million, according to the materials.

Gazprom Neft increased total proved oil and gas reserves by 0.9 percent last year based on the standards of the Petroleum Reserves Management System.

Total proved reserves rose to 7.53 billion barrels of oil equivalent at the end of 2010, compared with 7.46 billion a year earlier, the Russian producer said Friday on its web site. Crude reserves accounted for 6.44 billion barrels of that.

Gazprom Neft said fourth-quarter profit rose about 1 percent to \$873 million from \$869 million in the previous three-month period.

Sales advanced 8 percent to \$9.06 billion, Gazprom Neft said on its web site. Gazprom Neft will cut the price of winter diesel sold at its stations by 1 ruble per liter starting Saturday, the company said Friday in an e-mailed statement.

The Federal Anti-Monopoly Service last week opened an investigation into diesel and jet fuel price increases by Gazprom Neft, Rosneft and LUKoil. Prime Minister Vladimir Putin said the same day that oil company executives hadn't responded to previous inquiries from the government.

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