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INDEPENDENT NEWS FROM RUSSIA

Gazprom Not 2011 Profit Leader

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A cold spell has the center of the country bundling up and using more gas. **Igor Tabakov**

Gazprom said Wednesday that it expects to rake in almost $40 billion in last year's profit, a big increase from 2010 but not enough to stop ExxonMobil from spurting into the lead again as the world's most profitable publicly traded energy company.

Gazprom's net income for last year will likely represent 25 percent growth from the previous year, as it ramped up its natural gas exports and production, the company said in a statement on its tentative results for last year.

ExxonMobil earned $41.1 billion in last year's profit, the company announced earlier this week. It was a 35 percent boost over 2010, the year when Gazprom overtook the U.S. company in terms of net income.

Gazprom sold 8.2 percent more gas to Europe and Turkey last year, or 150 billion cubic meters of gas, the company said.

It produced 513 bcm of gas, almost 1 percent more than last year.

The numbers differed downward from a recent forecast by Gazprom chief Alexei Miller. He said in a Dec. 3 meeting with Prime Minister Vladimir Putin that production would reach 520 bcm. Exports to Europe and Turkey were to have exceeded 151 bcm.

A spokeswoman for Gazprom attributed the discrepancy to previous tentative calculations being less accurate.

Shell has scheduled an announcement of its earnings for Thursday, and BP will make its results public Feb. 7. Last week, Chevron reported a quarterly profit that brought the company's 2011 total to $26.9 billion — up 41 percent from 2010.

Also on Wednesday, Gazprom denied reports that it reduced supplies to Europe to make more gas available in parts of Russia hit by a severe cold snap.

"Despite increased natural gas consumption in Russia amid freezing weather, Gazprom continues to execute its contract obligations to European customers," the company said in a separate statement.

Western Europe in general is heavily dependent on Russian gas. Italy relies on imports for about 80 percent of its gas needs, including 30 percent from Russia.

As one of the ways to keep supplies smooth, Gazprom brought up more gas from its underground storage facilities in Europe, it said.

The European Commission said Tuesday that Gazprom supplies into Italy across the Austrian border went down 10 percent compared with normal levels, Reuters reported. Europe has enough gas reserves to meet the demand, the commission said.

Unusually cold temperatures hit central Russia in recent days, with temperatures in the Moscow region falling to minus 29 degrees Celsius at night. Weather forecasters predict these temperatures will last at least until the end of this week.

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