

Reduced Heavy Crude Export Levy Possible

By [The Moscow Times](#)

March 10, 2012

The  Moscow Times

The Finance Ministry is putting its weight behind a plan to cut the export duty for extra-heavy crude for the next 10 years to stimulate output.

The proposal to tax exports of the hard-to-extract crude at 10 percent of the standard levy, made by the Energy Ministry, could become law by July 1, Deputy Finance Minister Sergei Shatalov said by phone last week.

LUKoil, the country's second-biggest crude producer, and Tatneft would benefit most from the tax break as they seek to develop large resources of super-viscous oil "similar to Canada's oil sands," said Valery Nesterov, an analyst at Troika Dialog.

"Extra-heavy oil could eventually add 1 percent to 2 percent to their production figures and help compensate for falling output at mature fields," Nesterov said by telephone.

Prime Minister Vladimir Putin, set to return to the Kremlin as president for at least six years, has called for oil production to remain above 500 million metric tons a year, or 10 million barrels a day, for at least a decade. The government is looking to stimulate output to compensate for declines at mature fields in western Siberian. Oil and gas provided about half the state's budget revenue last year.

ExxonMobil is moving toward the conclusion of an agreement to drill in the Russian Arctic, chief executive Rex Tillerson said Saturday.

The agreement will include the right fiscal terms, Tillerson said in a speech at CERAWEEK, a Houston conference held by IHS Cambridge Energy Research Associates.

Original url:

<https://www.themoscowtimes.com/2012/03/10/reduced-heavy-crude-export-levy-possible-a13126>