

LUKoil to Quadruple Dividends by 2021

By [The Moscow Times](#)

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LUKoil, Russia's second-largest oil producer, plans to boost its dividend by 25 percent in 2012 and at least fourfold through 2021.

"In the long-term perspective, we see an opportunity to increase dividends by at least 300 percent from the 2011 level," billionaire chief executive Vagit Alekperov said at a strategy presentation in London on Wednesday.

LUKoil expects production to grow at a compound annual rate of 3.5 percent a year to reach as much as 3.2 million barrels a day by 2021.

Even as Urals crude prices averaged more than \$100 a barrel last year for the first time, output at the company fell 4.4 percent as it awaited tax changes. Delaying investments allowed LUKoil to amass a record \$7.24 billion in free cash at the end of 2011.

LUKoil plans to spend \$150 billion through 2021 to boost oil and gas output by 50 percent compared with 2011, the company said in the filing. That would equal 3.21 million barrels of oil

equivalent a day.

Dividend payments are expected to increase 25 percent in 2012, LUKoil said in the regulatory filing.

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