

Surgutneftegaz Dividend to Rise

By [The Moscow Times](#)

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Oil derricks operated by Russian oil producer Surgutneftegaz.

Surgutneftegaz is planning to increase dividend payments for 2011, a move likely to maintain its status as a darling of foreign investors despite its forecasts for only modest rises in output this year and next.

The company, the biggest holding in Swedish fund manager East Capital's \$2 billion flagship Russia Fund, paid 1.18 rubles per preference share last year — a yield of 6 percent at current prices.

"The board of directors will meet soon [to discuss the dividend]. We will raise it, we will, we will," deputy general director Vyacheslav Nikiforov told a conference.

He also predicted a marginal rise in oil output this year to 62 million tons, up from 61 million tons in 2011, and production of 62 million to 63 million tons in 2013.

Fund managers at Sweden's East Capital told an investor conference Thursday that Surgut

shares accounted for nearly 10 percent of its Russia fund — its biggest holding — based on the dividend payments and a reported \$30 billion cash pile.

Surgut, Russia's fourth-largest oil producer, last month reported an 81 percent rise in 2011 net profit to nearly \$8 billion. Troika Dialog analysts estimate the dividend on preference share for 2011 could therefore be 2.148 rubles — a yield of 10 percent.

Surgut is also among the non-state owned oil companies lobbying for access to lucrative offshore projects, according to biggest private producer LUKoil.

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