

LUKoil Hopes for Production Increase

By [The Moscow Times](#)

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LUKoil hopes to increase production next year by at least 1 percent, the company's chief executive said Tuesday.

The country's second-largest oil producer is on track to produce 91 million metric tons, slightly more than it produced last year.

A production increase would be a milestone for the company, which has been struggling to stabilize its output.

Speaking about the firm's foreign assets, CEO Vagit Alekperov said LUKoil will invest at least \$250 million in exploration in western Africa next year. Its subsidiary LUKoil Overseas operates two offshore exploration projects in Ivory Coast.

An exploratory well at one of them, the CI-401 block, has revealed deposits of light oil and gas condensate in sandstone reservoirs.

In Vietnam, the company will decide next year, after drilling a third exploratory well, whether it wants to continue the project, Alekperov said at a news conference in London.

Two previous wells didn't uncover commercial reserves. LUKoil acquired a 50 percent stake in a production-sharing project for the Hanoi Trough-02 offshore block in October 2011.

Alekperov also said the board of directors will consider paying 40 rubles (\$1.30) per share in the company's first ever interim dividend. The board will convene on Nov. 7 to discuss a dividend payout based on LUKoil's financial results for the first half of the year.

Lukoil hopes to sign a production-sharing agreement for the Khvalynskoye project in the Caspian Sea with its Kazakh and French partners by the summer of 2013, Alekperov said.

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