

RusPetro Seeks to Prevent Output Decline

By [The Moscow Times](#)

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Correction appended.

London-listed RusPetro said Wednesday that it hoped to prevent an output decline in Russia using the money it secured last month

Oil trader Glencore Energy UK provided a prepayment of \$30 million last month for the crude it will export from RusPetro's Siberian fields over the next 12 months, RusPetro chief Tom Reed said.

RusPetro's production is expected to drop in the second half of the year from the rate of 5,500 barrels a day achieved in the first half, as no development drilling has been taking place this year, the company said. It will spend the money from Glencore to pay for drilling more wells, Reed said.

Glencore handles a quarter of RusPetro's output. It takes some of the oil north by the Ob River, and then over to Helsinki, Finland, by sea. Another export route goes to Hungary, through a Transneft pipeline.

RusPetro sells the rest on the domestic market.

Backed by investment fund Altera Capital, whose co-founder Kirill Androsov quit his post of deputy chief of staff at the Cabinet for business several years ago, the company is also looking to raise capital for drilling oil wells by possibly selling its natural-gas field

"Divesting the gas business is our preference," Reed said.

But RusPetro leased a car earlier this year for one of its executives and will pay an annual rent of \$83,000 through the end of 2015. The car belongs to a company in which one of its directors has an interest, the company said.

This article, titled "RusPetro Seeks to Prevent Output Decline" on page 6 in the Sept. 5 issue of the newspaper, erroneously identified Kirill Androsov as a co-owner of RusPetro. In fact, Mr Androsov is a co-founder of an investment fund that indirectly owns a stake in RusPetro.

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