

LUKoil Blames High Tax and Expenses for 12% Q3 Earnings Fall

By [The Moscow Times](#)

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LUKoil announced a 12 percent drop in third-quarter net profit Tuesday compared to a year earlier, blaming higher taxes and expenses.

The company has been struggling to arrest declining production for the last three years and has increased its exposure to international oil projects, including in Iraq, to fight off a fall in output at its core and depleted west Siberian fields.

Its net profit of \$3.1 billion for the third quarter was just shy of an analysts' consensus forecast of \$3.2 billion. Quarterly sales, however, rose 3.5 percent from the year-earlier period to \$36.7 billion, beating analysts' forecasts for a 2 percent rise.

Capital expenditures in exploration and production jumped by almost a third to \$1.9 billion in January to September on the back of investments in that field and other projects.

(Reuters)

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