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Russian Oil Giant Rosneft Unconcerned by Drop in Oil Prices

By The Moscow Times

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Russia's Rosneft was earlier put on the Western sanctions list over Moscow's role in Ukraine crisis.

Rosneft, the world's biggest listed oil producer by output, said Friday that the fall in oil prices was not critical for the company and it saw "no reason for concern."

"The company's projects remain economically viable at prices much lower than current levels," Rosneft said in e-mailed comments.

Brent has lost more than 20 percent of its value since June and was dragged down earlier in the week by signals from key OPEC members that the group was unlikely to intervene. It is now trading at $85.84 per barrel.

Rosneft's capital expenditure stood at around 700 billion rubles ($17 billion) for this year under an oil price of below $100 per barrel.

Rosneft, which accounts for around 40 percent of Russia's total oil output, was earlier put

on the Western sanctions list over Moscow's role in Ukraine crisis.

The measures ban Rosneft from raising long-term Western financing and prevent Western companies from cooperating with the company in Arctic, shale oil or deep water exploration and production.

Last month, U.S. oil company ExxonMobil said it had to wind down cooperation with Rosneft in the Arctic after successfully drilling a first exploration well.

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