

Russia's Rosneft Repays \$7.1 Billion Loan Amid Debt Fears

By [The Moscow Times](#)

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The logo of Russia's top oil producer Rosneft is seen on a gasoline station near a church in Stavropol, southern Russia.

Oil giant Rosneft said Thursday that it made a \$7.1 billion debt payment ahead of schedule as the state-owned firm struggles with financing amid Western sanctions and low oil prices.

Rosneft's debt mountain is currently higher than the market value of the company itself.

“On Feb. 11 the company paid lenders \$7.1 billion,” Rosneft said in a statement posted on its website. “The overall amount paid since December 2013 totaled \$33 billion, in full accordance with credit agreements.”

The \$7.1 billion payment was reportedly due to be paid on Feb. 13.

Rosneft has more corporate debt than any other Russian company and must repay about \$20 billion this year alone. It took on large short term loans in 2013 when it bought Russia's then-

third biggest oil company, TNK-BP, for \$55 billion.

The company has been hit by Western sanctions over Ukraine that block it from European Union and U.S. capital markets and an oil price that has halved since June highs of \$115 a barrel.

The head of Russia's Central Bank said last week that opaque borrowing by Rosneft on the domestic bond market ahead of its last \$7.1 billion debt repayment in December contributed to a run on the ruble.

Currency traders were watching this month's debt payment with extra interest.

Rosneft has repeatedly said that it does not need to convert locally raised rubles into foreign currency in order to meet debt repayment commitments.

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