

Russian Oil Giant Rosneft Back in Black as Prices Recover

By [AFP](#)

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Igor Onuchin / TASS

Russian oil giant Rosneft said Friday that its earnings were back in the black in the first quarter after oil prices recovered following Moscow's production deals with OPEC.

State-controlled Rosneft reported a net profit of 149 billion rubles (\$2 billion) in the first quarter, compared with a loss of 156 billion rubles in the same period last year.

It is the latest major oil company to report a spike in quarterly profits thanks to rising crude prices.

Global oil prices, already low amid growing competition, were hit hard by the onset of the coronavirus pandemic last year, with demand hammered as many countries shut down swathes of their economies in a bid to slow the spread of Covid-19.

That caused a glut in supplies and a plunge in prices that briefly saw some turn negative.

Russia and other major producers joined with the Organization of the Petroleum Exporting Countries (OPEC) in agreeing a series of production limits that helped prop up prices.

In recent months prices have returned to pre-pandemic levels, hovering around \$65 per barrel.

Between January and March 2021, Rosneft — which is about one-fifth owned by Britain's BP — said its revenue fell slightly to 1.7 trillion rubles.

Earnings before interest, tax, depreciation and amortisation (EBITDA) rose 44 percent year-on-year to 445 billion rubles.

In a statement from the group, Rosneft CEO Igor Sechin hailed the results as "strong" despite the "difficulties caused by the Covid-19 pandemic".

Sechin said Rosneft is continuing its ambitious northern Vostok Oil project, which "guarantees the company stability of production and profit levels".

Production at the project is expected to start in 2024, with the aim of reaching an output of 100 million tonnes by the start of the next decade.

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