

# Rosneft Shares Gain on Possible Tax Exemption

By [The Moscow Times](#)

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**The**  **Moscow Times**

Rosneft shares jumped on Thursday following a report that Deputy Prime Minister Igor Sechin asked Prime Minister Vladimir Putin to extend tax breaks for the Vankor oil field.

The company's Moscow-traded shares rose 2.6 percent, outperforming the MICEX Index's fall of 0.4 percent.

Russia's largest oil producer may save billions of dollars if the extension of tax breaks for revenue from the East Siberian field goes through, Vedomosti reported Thursday.

The paper, citing a government source and another official, said Sechin asked Putin to extend tax breaks on the Vankor oil field until the end of 2013.

Vankor has been a major driver behind Rosneft's spectacular oil output growth. The deposit, Rosneft's main source of output, is among East Siberian oil fields that had zero export duty

until July 1 and are now subject to reduced levies to encourage companies to develop them. The Finance Ministry says Vankor should be subject to the normal duty regime.

“If the preferential duties are extended to Vankor for three more years, Rosneft would save \$3 billion in 2011 and \$3.5 billion in 2012 and 2013, or about 16-20 percent of the company’s EBITDA,” Troika Dialog said in a research note.

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