ECONOMIC TIMES, Delhi, 18.6.2023
Page No. 1, Size:(16.09)cms X (13.74)cms.

BUILDING UPON OVL'S 20% IN RUSSIAN PROJECT...

Oil-rich Sakhalin Calls for More Investment from India

Moscow courting New Delhi in aftermath of Shell, ExxonMobil exit from oil field

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New Delhi: The governor of Russia's resource-rich Sakhalin has invited companies from India to benefit from its energy reserves following the departure of Western oil and gas majors.

"We invite companies from China and India to projects of the energy complex. This is a good chance for them to fill the niche vacated by American and European companies in the oil and gas services market," Sakhalin governor Valery Limarenko recently announced on his website. Located in the Pacific, Sakhalin is Russia's biggest island.

ONGC Videsh (OVL) has a 20% stake in the Sakhalin-1 oilfields for over a decade now, and Moscow has been encouraging New Delhi to increase its stakes following the departure of ExxonMobil and Shell in the wake of the Russia-Ukraine conflict. It also wants India to invest in Sakhalin-2 gas field.

Sakhalin-1 is a large, offshore oil and gas field in Russia's far east, spread over 1,140 square km and including Chayvo, Odoptu and Arkutun-Dagi fields. OVL acquired stake in the project in July 2001.

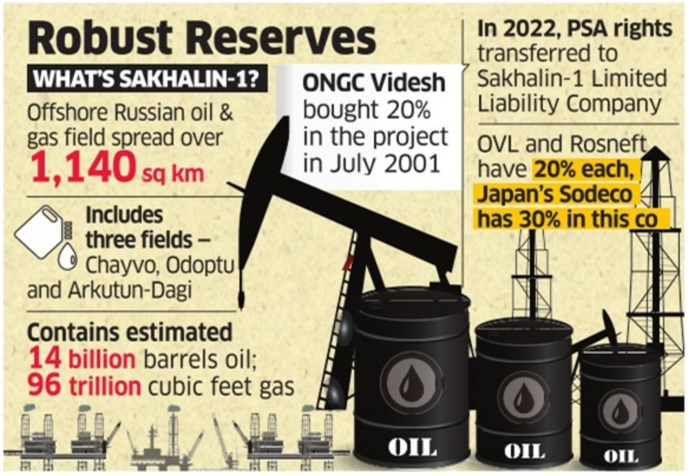
Almost all of Sakhalin-1's oil production is shipped to international markets via the De-Kastri terminal, located in the Khabarovsk region on the Russian mainland and linked to Sakhalin-1 via a dedicated pipeline.

On October 7, 2022, the Russian President issued a decree, consequent to which the rights and obligations of the consortium under the Sakhalin-1 production sharing agreement (PSA) were transferred to a new company — Sakhalin-1 Limited Liability Company.

We invite cos from China and India to projects of the energy complex: Sakhalin guv Limarenko

OVL and Rosneft each own 20% in this new company, while Sodeco has 30%. Tokyo-based Sakhalin Oil and Gas Development Co (Sodeco) is owned by the Japanese government and the private sector.

Following the collapse of the Soviet Union in 1991 and subsequent economic liberalisation, Sakhalin has experienced an oil boom, with extensive petroleum exploration and mining. The reserves contain an estimated 14 billion barrels of oil and 96 trillion cubic feet of gas.



EVEN AS IT SUPPLIES ARMS TO KYIV...

Pak Woos Moscow for Oil, Wheat

Pakistan is courting Russia for cheaper oil and food, even as it ships supplies to Ukraine. Pakistan has received the first crude oil shipment in June. **Dipanjan Roy Chaudhury** reports. ▸▸ 2

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ONGC chief sees Russian oil making up 30% of India's imports this year: Interfax

Reuters

Russia may account for almost a third of India's oil imports by the end of the current financial year, Arun Kumar Singh, the head of Oil and Natural Gas Corp Ltd. was cited as saying on Saturday by Russian news agency Interfax.

"The share of Russian oil imports, which was less than 2% in 2021/2022, has increased 10-fold to 20% in the oil import basket," Mr. Singh was quoted as saying at a St. Petersburg International Economic Forum panel.

The level may reach 30% by the end of the 2023/24 year, he added.

"Then, guaranteed trade between the two countries will grow even stronger and Russia will have a major role to play in ensuring India's energy security."

Russia has been redirecting its energy supplies from Western nations, which have imposed restrictions and sanctions on trade with Moscow, including an oil price cap, after its invasion of Ukraine. China and India purchase most of the re-routed Russian energy.

Russian oil imports by India, the world's No. 3 crude importer, hit an all-time high in May as buyers gorged on discounted supplies, reducing demand for oil from West Asia and Africa, initial assessments from ship trackers show.

HINDU, Delhi, 18.6.2023
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Russia repels drone attack on oil pipeline station

Reuters

Russian air defence units repelled a Ukrainian drone attack overnight on a pumping station on the Druzhba oil pipeline in the Bryansk region adjoining Ukraine, the region's Governor said on Saturday.

Three Ukrainian military drones were destroyed in the attack in the Novozybkov district, Alexander Bogomaz wrote on Telegram.

Drone attacks inside Russia have been increasing in recent weeks, frequently targeting energy facilities.

The southern branch of the Soviet-era Druzhba pipeline crosses Ukraine and, despite the conflict there, continues to supply crude oil to Hungary, Slovakia and the Czech Republic.

BUSINESS LINE, Delhi, 18.6.2023
Page No. 12, Size:(7.37)cms X (7.99)cms.

ONGC sees Russian oil making up 30% of India's imports by end FY24

Reuters

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ALL-TIME HIGH

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INDIAN EXPRESS, Delhi, 18.6.2023
Page No. 13, Size:(6.16)cms X (2.66)cms.

Crude Watch

Oil gains for the week

Oil rose on Friday and posted a weekly gain, as higher Chinese demand and OPEC+ supply cuts lifted prices, despite expected weakness in the global economy and the prospect for further interest rate hikes. **REUTERS**

The Indian EXPRESS
JOURNALISM OF COURAGE
Sun, 18 June 2023
https://epaper.indiar

MILLENNIUM POST, Delhi, 18.6.2023
Page No. 2, Size:(15.66)cms X (19.05)cms.

Russia's oil giant urges OPEC+ to track exports, not just output

'Some nations in the OPEC send as much as 90% of their output abroad, using other types of fuel for domestic use'

MOSCOW: OPEC and its allies need to monitor not only production of the organisation's member countries but also their exports, according to Igor Sechin, head of Russian oil giant Rosneft PJSC, *Bloomberg* reported.

Some nations in the Organisation of Petroleum Exporting Countries send as much as 90 per cent of their output abroad, using other types of fuel for domestic consumption, said Sechin, a key ally of President Vladimir Putin and formerly a critic of Russia's cooperation with the oil alliance.

For Russia, the share of crude exports in production is just 50 per cent, Sechin said at a panel session of the St Petersburg International Economic Forum on Saturday.

This "puts our country at a disadvantage given the current monitoring mechanism" in OPEC+, he said. "It seems appropriate to consider monitoring not only the production quotas, but also the oil exports, taking into account different sizes of domestic markets."

Sechin's call comes as Russian-oil watchers remain doubtful of Moscow's commitment to voluntary production cuts.

Russia was the first OPEC+ nation to announce crude output cuts earlier this year, aiming to bolster demand for its oil amid Western sanctions, including fuel price caps. Moscow pledged to cut its output by 500,000 barrels a day from February and maintain that level through 2024.

However, the Russian government has made the nation's oil production data classified, making it difficult to assess the progress of the cuts beyond assurances from energy officials. While Deputy Prime Minister Alexander Novak on numerous occasions said Russia had achieved the pledged output level in spring, the nation's seaborne exports, a key gauge of production levels, have remained robust.

Earlier this month, OPEC secondary sources revised the Russian output baseline to 9.949 million barrels a day. The upward revision makes it easier for Russia to stick to production curbs amid scrutiny and calls for greater data transparency.

It's getting more difficult for OPEC to reach consensus because of different economic structures and diverging output trends in the member states, according to Sechin.

"The Middle Eastern OPEC countries are increasing their production and diversifying their economies, developing the non-oil sector," Sechin said. "The African OPEC nations are steadily decreasing output, losing their share on the global oil market," he said.

The OPEC+ consensus nearly proved elusive at the ministerial meeting in Vienna two weeks ago, when under-producing African countries refused to hand over some of their unused output quotas to the United Arab Emirates.

After a series of tense late-night negotiations and hours of back-and-forth talks just before the official OPEC+ meeting, a deal was reached with a sweetener from Saudi Arabia, which promised its own unilateral cut of 1 million barrels per day for at least one month. AGENCIES