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ARGUS RUSSIAN CRUDE EXPORTS

Contents:

Introduction	2
Price assessments	2

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The most up-to-date Argus Russian Crude Exports methodology is available on www.argusmedia.com

Introduction

Argus has a range of crude oil market reports in the Russian language as well as reports in English. Argus Russian Crude Exports report is available every Monday (except for public holidays) in Russian language. The report covers prices for crude oil in the former Soviet Union countries, the international market and at the key production provinces of Russia. Argus publishes prices that report and reflect prevailing levels for open-market arms length transactions (please see the [Argus Global Compliance Policy](#) for a detailed definition of arms length). Argus will contact and accept market data from all credible market sources including front and back office of market participants and brokers. Argus Russian Crude Exports also provides extensive market commentary, exclusive news, detailed analysis and statistical data.

Price assessments

International price assessments

- North Sea Dated
- WTI
- Mars
- Dubai
- Oman
- Urals cif Northwest Europe
- Urals cif Mediterranean
- Urals fob Primorsk (current and retrospective)
- Urals fob Ust-Luga (current and retrospective)
- Urals fob Novorossiysk (current and retrospective)
- Urals cif Black Sea
- Siberian Light cif Mediterranean
- CPC Blend cif Mediterranean

- CPC Blend fob Yuzhnaya Ozereyevka (current and retrospective)
- ESPO Blend fob Kozmino
- Sokol cfr Yosu
- Sakhalin Blend cif Yosu
- Urals fit Adamowa Zastawa (delivered to Germany)
- Urals fit Adamowa Zastawa (delivered to Poland)
- Urals fit Budkovce (delivered to Slovakia)
- Urals fit Feneshlitke (delivered to Hungary)

The international prices are taken from Argus Crude. For a detailed explanation of the methodology behind the international crude assessments and the master tables of the specification table below, see the [Argus Crude Methodology](#).

Belarus price indexes

Argus calculates a daily price index for Russian crude delivered to refineries in Belarus based on formula pricing used in key contracts. The formula is linked to Urals price assessments at international markets in northwest Europe and the Mediterranean. Price assessments are published in US dollars per barrel with differentials to the current Dated price calculated from the absolute numbers of price assessments. Prices for Urals crude supplied by pipelines with minimum shipment of 10,000t are assessed retrospectively for the previous month. Assessments are basis ddu Mozyr and ddu Novopolotsk.

Netback price assessments

Current netback

Argus calculates netback price assessments for Russian crude exports originating in West Siberia (Nizhnevartovsk), Volga-Urals (Samara) and Timan-Pechora (Ufa) provinces. The netbacks are calculated from current Argus Urals cif assessments at international

Russian and Caspian crudes						
Grade	Typical °API	Typical sulphur, %	Conversion factor, t/bt	Basis/location	Timing	Cargo size, '000t
Urals northwest Europe	30.48	1.51	7.2005	cif Rotterdam	Loading 10-25 days ahead	100
Urals Primorsk	30.48	1.51	7.2005	fob Primorsk		100
Urals Ust-Luga	30.64	1.65	7.2076	cif Rotterdam		100
Urals Mediterranean (80,000t)	30.36	1.47	7.1952	cif Augusta, Italy	Loading 10-25 days ahead	80
Urals Novorossiysk (80,000t)	30.36	1.47	7.1952	fob Novorossiysk, Black Sea		80
Urals Mediterranean (140,000t)	30.36	1.47	7.1952	cif Augusta, Italy	Loading 10-25 days ahead	140
Urals Novorossiysk (140,000t)	30.36	1.47	7.1952	fob Novorossiysk, Black Sea		140
Siberian Light	35.08	0.57	7.4050	cif Augusta, Italy	Loading 10-25 days ahead	75
CPC Blend Mediterranean	46.18	0.53	7.8984	cif Augusta, Italy	Loading 10-30 days ahead	80-135
CPC Blend Terminal	46.18	0.53	7.8984	fob CPC terminal (Yuzhnaya Ozereyevka)		135
Urals Druzhba Slovakia	30.64	1.65	7.2076	fit Budkovce (for Slovak delivery)	Delivered during the previous month	10
Urals Druzhba Hungary	30.64	1.65	7.2076	fit Feneshlitke (for Hungarian delivery)	Delivered during the previous month	10
Urals Druzhba Poland	30.64	1.65	7.2076	fit Adamowa Zastawa (for Polish delivery)	Delivered during the previous month	10
Urals Druzhba Germany	30.64	1.65	7.2076	fit Adamowa Zastawa (for German delivery)	Delivered during the previous month	10
Urals Belarus	30.64	1.65	7.2076	ddu Mozyr	Delivered during the previous month	>5
Urals West Siberia (domestic)	30.59	1.68	7.2054	fip Nizhnevartovsk	Delivered next month	>5
ESPO Blend	35.89	0.48	7.4410	fob Kozmino	Loading 30-75 days ahead	100
Sokol	35.24	0.29	7.4121	cfr Yosu	Month of loading	100
Sakhalin Blend	44.20	0.16	7.8104	cif Yosu	Month of loading	100

markets in Northwest Europe and Mediterranean by subtracting current transportation costs and export duty.

All costs nominated in national currencies are converted into US dollar per barrel using daily market rates. Crude quality is regularly reviewed to stay up to date.

The netback values are compared with monthly average domestic spot market assessments in West Siberia (fip Nizhneartovsk), Volga-Urals region (fip Samara/Almetyevsk) and Timan-Pechora (fip Usa). The methodology for domestic crude price assessment is published separately at www.argusmedia.com.

Retrospective netback

Retrospective netback prices are designed to compare profitability of exports and domestic sales of different grades of crude delivered in the same month to markets in Europe, Asia-Pacific and Russian refineries. For calculation of retrospective netbacks Argus uses monthly average Russian Rouble rates published by the Central Bank of Russia. Netback prices for Russian crude delivered in the same month are published in Argus Russian Crude Exports report on p1. For detailed calculation see table below.

Crude prices netted back to fip Nizhneartovsk (West Siberia)*					Example: October
Grade, destination	Benchmark price	Differential	Freight	Export duty	Transportation costs
Espo Blend	Oct Dubai swaps	Average Espo fob Kozmino differential in deals with October loading cargoes	–	Privileged and full duties for loading month (Oct)	Espo loading and transportation tariff
Urals northwest Europe	North Sea Dated average of Oct assessments	Average Urals differential cif northwest Europe for 10-25 days before B/L dates in October	Average Aframax (100kt) freight rate assessment on Primorsk – Rotterdam and Primorsk – Ust-Luga routes for 10-25 days before B/L dates including Rotterdam harbor dues, Primorsk and Ust-Luga ice/towage fees	Full duty for loading month (Oct)	Primorsk loading and pipeline tariffs from Nizhneartovsk
Urals Poland	North Sea Dated average of Oct assessments	Average Urals Poland differential for the month of delivery (October)	–	Full duty for loading month (Oct)	Pipeline tariffs from Nizhneartovsk
Urals Germany	North Sea Dated average of Oct assessments	Average Urals Germany differential for the month of delivery (October)	–	Full duty for loading month (Oct)	Pipeline tariffs from Nizhneartovsk
Urals Med	North Sea Dated average of Oct assessments	Average Urals differential cif Med for 5-20 days before B/L dates in October	Average Aframax (80kt) freight rate assessment on Novorossiysk – Augusta route for 10-25 days before B/L dates including average assessment of demurrage costs in Turkish straits	Full duty for loading month (Oct)	Novorossiysk loading and pipeline tariffs from Nizhneartovsk
Urals Slovakia	North Sea Dated average of Oct assessments	Average Urals Slovakia differential for the month of delivery (October)	–	Full duty for loading month (Oct)	Pipeline tariffs from Nizhneartovsk
Urals Hungary	North Sea Dated average of Oct assessments	Average Urals Hungary differential for the month of delivery (October)	–	Full duty for loading month (Oct)	Pipeline tariffs from Nizhneartovsk