Energy Intelligence

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INTERNATIONAL OIL DAILY®

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G7 Advances Plan to Cap Price of Russian Oil

Finance ministers from the G7 group of nations agreed on Friday to proceed with a controversial plan to put a price cap on Russian oil, but said they still need to finalize details of how it would work in practice.

The cap is meant to reduce Moscow's oil revenues without limiting the flow of Russian oil to the market — a goal that has been met with considerable skepticism in the market.

EU countries plan to block tankers that carry Russian crude and products from obtaining maritime insurance and financial services — unless their cargoes are priced in accordance with the cap.

More granular details still need to be worked out. That includes the level at which the price cap will be set, products that would be exempted and the precise mechanics of the cap in each country that implements it.

Price Point Pending

A senior US Treasury Department official said on Friday that the plan calls for three price caps: one for Urals crude, and two for products. The price caps will be reviewed periodically and widely publicized.

The prices are yet to be finalized, but another senior Treasury Department official gave some hints for crude.

"You don't want to set it at such a level that they are taking advantage of the price premium introduced in the market," the official said, referring to the increase in oil prices of nearly 40% since the start of this year.

"Russia was selling oil years ago at $60 a barrel and making plenty of money," the official added.

The countries backing the plan want the price cap to be set above the cost of producing Urals crude but below its free market value.

The price of Urals has been quite opaque in recent months, but on Friday it was assessed at about $74/bbl, or roughly $20/bbl below dated Brent.

Russian production costs are unclear but officials have said the country is a "low-cost" producer, which perhaps points to costs as low as $15/bbl.

Russian companies have reportedly started negotiations with Asian refiners to buy Urals under term contracts at considerable discounts — perhaps as much as 30% — below dated Brent.

Western officials suggest this points to the early success of the price cap system, arguing that buyers who operate outside it will be free to negotiate an even lower price as a result of the cap, further lowering Moscow's oil income.

Russia has already been offering large discounts to Asian buyers of Urals since the early days of the war in Ukraine, but its oil revenues have proved resilient because of the overall strength of global oil prices.

Traders say the potential challenges to the policy's success include a lack of cooperation from big buyers of Russian oil — notably India, China and Turkey.

The price cap scheme could also be undermined by the development of alternative sources for tanker insurance, and arrangements which allow prices to work around the cap through side payments, for example.

Following Steps

The specifics of how the cap will work are clearest in Europe, which plans to block its companies from providing maritime and financial services to tankers carrying Russian crude and products from Dec. 5.

However, exemptions will be granted for tankers that carry cargoes priced in accordance with the caps.

An EU ban on purchases of Russian crude also takes effect on Dec. 5 and a ban on purchases of Russian products on Feb. 5.

The price cap system will require changes to EU sanctions in place since June and will require unanimity among the bloc's 27 members.

The Treasury Department said it will release specific guidance this month on how existing US sanctions targeting Russia's energy industry will change.

The G7's other non-EU countries — Canada, Japan and the UK — will have to take similar steps.

Officials said other countries plan to join the G7-led coalition of countries implementing the price cap, but declined to name them.

Western Gamble

The success of the price cap plan also represents a bet that Russia won't retaliate by slashing its oil supplies and driving prices to ruinous levels

Deputy Prime Minister Alexander Novak said on Thursday that Russia would indeed halt supplies to countries that support the initiative.

Shipments of oil are largely processed and financed through the Western system.

Ship brokers say the world does not have enough tankers outside the Western system to keep all of Russia's oil flowing. They say there might be enough to support much of its crude oil exports, but not its refined products.

Asked if Russia is bluffing by issuing threats to cut off oil supplies, a US official said on Friday that there was "some merit" to that notion.

"Russia needs revenues from oil in order to support the economy and support their unjustified war in Ukraine. They need those things even more today than they did before the war," the official said.

However, Russia has already slashed its gas exports to Europe, forcing countries in the region to scramble to stockpile enough gas for winter heating.

Asked whether Russia would sell its crude at a theoretical $55/bbl price cap, one trading analyst simply said: "No."

"Russia has essentially declared war on Europe and will turn off the flow of energy," the analyst said, adding that what has already been happening in the natural gas market will likely play out in the oil market too.

For more coverage of the Ukraine crisis, visit Ukraine Crisis: Energy Impact >

Emily Meredith, Washington and John van Schaik, New York

Gazprom Postpones Nord Stream Pipeline Restart

Gazprom has postponed the resumption of Russian gas flows to Germany via the Nord Stream pipeline which had been scheduled for Saturday after a three-day shutdown for maintenance work.

The state-controlled Russian gas giant said on Friday that the restart cannot go ahead as previously planned because it discovered an oil leak while performing maintenance checks on a crucial gas turbine.

Gazprom provided no indication of how long it would take to fix the problem so that gas flows to Germany could start up again.

Siemens Energy — the German manufacturer of the Nord Stream turbines — said the discovery of a leak should not halt pipeline operations.

"Such leakages do not usually affect the operation of a turbine and can be sealed on site. It is a routine procedure during maintenance work," it said in a statement.

Some European gas traders had previously said that they suspected Gazprom might find a reason to prolong the outage at the pipeline.

The Russian company had already reduced Nord Stream gas flows to just 20% of the pipeline's capacity since late July. And the latest shutdown follows a 10-day maintenance outage in July.

Michael Roth, who chairs the German parliament's foreign affairs committee, tweeted that the delay in restarting gas deliveries was part of a campaign of "psychological warfare" by Russia.

Earlier in the day, European Commission President Ursula von der Leyen had suggested that the EU should consider a price cap for purchases of Russian gas — similar to a G7 plan for a price cap on Russian oil.

Price Volatility

Gazprom's announcement on Friday came too late to impact European natural gas prices. The front-month October Dutch TTF gas futures contract closed almost 13% lower at €212 per megawatt hour ($61.90/million Btu).

Prices had shot well above €300/MWh ($87.70/million Btu) last week on concerns about tight gas supplies. However, they drifted lower this week, in part because European nations have been making good progress on stockpiling gas for winter heating.

The volatility in the European gas market this year is closely related to tensions over Russia's war in Ukraine and the sanctions that the EU subsequently placed on Russia.

Moscow has said the sanctions have prevented vital repair and maintenance of turbines that help pump gas through the pipeline, but European politicians say that is just an excuse to reduce gas flows and undermine European support for Ukraine.

Gazprom says the turbine currently undergoing maintenance is the only one of six at its Portovaya compressor station that was available for use.

Siemens Energy contradicted the Russian company on Friday, saying "we have already pointed out several times that there are enough additional turbines available at the Portovaya compressor station for Nord Stream 1 to operate."

Production Tumbles

Earlier on Friday, industry sources said Russia's natural gas production fell for a fifth consecutive month in August, reflecting a sharp drop in Gazprom's exports to Europe.

Production for the month amounted to 45.7 billion cubic meters, down 20.9% from August 2021, the sources said.

Gazprom — the country's dominant gas producer and its sole pipeline gas exporter — accounted for most of the decline. Its August gas output of 25.7 Bcm was down 34.1% versus the same month of last year.

Russian gas production for the first eight months of this year totaled 456.2 Bcm, down 8.6% from a year ago, while Gazprom's eight-month production fell 14.6% to 288.1 Bcm.

Gazprom has been producing well below its capacity this summer — 60% of capacity in June, 52% in July and 55% in August — with soft summer demand and relatively high gas stocks in Russia providing little support to offset the big drop in exports.

With its gas storage facilities already 92% full, Russia will likely increase its flaring and venting of gas in the coming months, International Energy Agency (IEA) chief Fatih Birol said recently.

RUSSIAN GAS PRODUCTION

(MMcm)	Aug '22	Jul '22	YTD	Aug '21
Gazprom	25,700.0	24,000.0	288,100.0	39,000.0
Novatek	5,970.8	6,247.6	53,002.4	5,203.2
Rosneft	4,464.4	4,145.0	31,297.5	3,884.3
Gazprom Neft	2,643.8	2,871.4	22,603.6	2,361.5
Lukoil	1,497.1	1,503.6	12,316.4	1,551.9
Other Producers	3,795.7	3,534.7	31,485.5	4,025.7
PSA Operators	1,620.6	1,465.2	17,417.1	1,706.2
Russia Total	**45,692.4**	**43,767.6**	**456,222.5**	**57,732.8**

Volumes are cumulative totals for YTD and month. Source: Gazprom, Energy Intelligence.

For more coverage of the Ukraine crisis, visit Ukraine Crisis: Energy Impact >

Staff Reports

Iraq Eyes Victory in Oil Export Arbitration Case

Exports of crude oil from Iraqi Kurdistan are holding up well, even as the country's federal government seeks to end Kurdistan Regional Government (KRG) control over the northern region's oil resources.

Federal government officials in Baghdad expect an arbitration case to be decided in their favor in November, potentially halting the KRG's independent sales of oil produced in the region.

"We are waiting for the final decision from the International Court of Arbitration in Paris against the Turkish government because they breached our agreement on the Iraq-Turkey pipeline. It's a big issue," said a senior official at Iraq's oil ministry.

"All the signs are that the court will rule in our favor. If it happens, I think the KRG cannot export any barrels. We hope this happens in November," the official told Energy Intelligence.

His comments echo those of Oil Minister Ihsan Ismael, who attended the final hearing at the International Chamber of Commerce's arbitration court in July and said at the time that a decision was expected in the next few months.

The Iraqi government filed the case against Turkish pipeline operator Botas in 2014, when the KRG began exporting crude oil independently of Baghdad.

It wants to halt the shipment of Kurdish crude without its consent and is seeking compensation from Turkey — now estimated at more than $26 billion — for violating a 50-year-old agreement on the use of the pipeline.

A February ruling by Iraq's Supreme Court that the KRG had no legal right to manage the oil resources within its territory could give Baghdad an advantage in the case.

The ruling prompted senior Iraqi government officials to declare that the KRG's oil exports had become "illegal."

Around 380,000 barrels per day of Kurdish crude were loaded at Turkey's Mediterranean port of Ceyhan in August, according to shipping reports.

That was broadly in line with the year-to-date average and around 20,000 b/d above the levels achieved in 2021.

Western Investment at Risk

Exports from the region are set to get a boost from a new 25,000 b/d production facility at US firm HKN's 30,000 b/d Sarsang Block that is currently being commissioned, according to a Kurdish industry source.

But Iraq's state oil marketer Somo added to the woes of companies operating in Iraqi Kurdistan recently, when it sent a letter warning buyers and sellers of Kurdish crude that they could face legal action if they continued the trade without its consent.

And in July a commercial court in Baghdad ruled that several production sharing contracts signed by the KRG and its international partners — including HKN, which won US government-backed financing for its Sarsang expansion — should be voided.

The US Consulate General in Erbil posted a message on Wednesday declaring that "existing oil contracts [in the Kurdistan region] must be respected."

It's unclear exactly how a decision by the Paris tribunal against Botas would affect exports from Iraqi Kurdistan in practice.

However, Somo has repeatedly stated that it wants to market all of the crude shipped out of northern Iraq, and not only the share from the province of Kirkuk — not part of the KRG's territory — that is already transferred to its tanks at Ceyhan.

Official Somo data show Kirkuk exports fell to 36,000 b/d in August. Sources say that's primarily due to a rise in domestic consumption, as well as declining output at the field.

Iraq's main Basrah crude export stream amounted to 3.25 million b/d in August, about 30,000 b/d above the 2022 average, with Baghdad earning $9.8 billion in oil revenues for the month.

Simon Martelli, London

UK's Next Leader Expected to Favor Oil and Gas

UK Foreign Secretary Liz Truss looks set to be elected as the new leader of the Conservative party and succeed Boris Johnson as prime minister in the midst of the worst energy crisis since the 1970s.

Results are expected to be announced on Monday, but opinion polls indicate that Truss is running well ahead of her rival, former chancellor Rishi Sunak.

At a final campaign event this week, Truss ruled out imposing another windfall tax on oil and gas companies to fund support for vulnerable consumers and struggling businesses, but Sunak said the windfall tax option was still on the table.

Truss also said there would be no rationing of energy in the UK this winter, but did not provide details to back up that assertion. Sunak said rationing could not be ruled out.

Oil and Gas

Up to 130 new licenses for oil and gas exploration could be made available this autumn if Truss wins the leadership race.

Sunak also supports the issuing of new exploration licenses as well as incentives for upstream oil and gas investment.

Industry lobby group Offshore Energies UK said this week that the UK will become almost fully dependent on imported oil and gas within the next 15 years, unless the government grants new licenses and takes steps to encourage upstream investment.

Official UK energy statistics show that the country's primary oil production fell to a seven-year low of 41 million tons (about 820,000 barrels per day) in 2021.

Gross natural gas production sank to a record low of 364 terawatt-hours (37.3 billion cubic meters).

Doug Parr, chief scientist at Greenpeace said it could take a quarter of a century to develop significant new oil and gas resources, arguing that it would "have no real impact on energy bills, yet still fuel the climate crisis."

Fracking, Renewables and Nuclear

Truss has said she supports hydraulic fracturing (fracking) to facilitate extraction of gas from shale formations in communities "where people want it to happen." Sunak has taken a similar position on that issue.

The UK government placed fracking under a moratorium in 2019 but it appeared to open the door to the process again earlier this year when it commissioned a scientific review of shale gas extraction.

Very few countries have significant oil and gas production from fracked shale formations. The exceptions include the US, China and Argentina.

Both candidates for the Conservative party leadership support a massive expansion of offshore wind and nuclear power in the UK.

Both have said they would be willing to let the government underwrite some of the costs of developing new nuclear plants and both have also spoken favorably about the deployment of small modular reactors in the UK.

Lukewarm About Net Zero

Truss and Sunak are at best lukewarm supporters of the UK's goal of achieving net zero greenhouse gas emissions by 2050.

Truss said she would seek to deliver net zero by 2050 without reducing household incomes or adversely affecting businesses, but she has not provided details about how that would be achieved.

Sunak says he would give greater priority to achieving UK "energy sovereignty" by 2045 than to the 2050 net zero target.

Truss is likely to promote Business and Energy Secretary Kwasi Kwarteng to the position of chancellor, so his old job would become vacant.

Sunak has said he would reestablish a standalone department of energy and set up a UK energy security council.

Jason Eden, London

Brussels Favors Emergency Power Price Cap

Brussels Eyes Power Price Cap, Gas on Backburner

European energy ministers are considering a package of emergency measures to bring down electricity prices, led by capping returns for non-gas generators, to address skyrocketing bills.

A leaked early-stage draft seen by Energy Intelligence suggests policymakers in Brussels favor a policy mandating a reduction of 15% in electricity use, plus a voluntary or EU-wide mandatory price cap on non-gas generation that would limit commercial returns of units that have lower operating costs than gas.

The demand reduction plan mirrors a similar measure agreed in July aiming to cut gas use this winter by 15%.

For the electricity cap to work, any windfall taxes on power generators would have to be scrapped, according to the draft.

Energy ministers have an emergency meeting on Sep. 9 to discuss remedial measures at a broad European Union and member state level.

After consulting with member states' energy policymakers, the measures could be adopted later this month.

The draft policy states that the proposed measures could be implemented much quicker than a market overhaul, which is a "longer term" objective.

Challenges Remain

A potential hurdle for capping the returns for non-gas generators would be that many have sold their output on a forward basis at a fixed rate. It is unclear how those forward sold volumes would be affected.

Lion Hirth, director at energy consultants Neon Neue Energieokonomik, tells Energy Intelligence that "the widespread use of forward hedging is a deal breaker".

Revenues from the difference between market prices and the price cap for these non-gas generators would be used to fund help packages for vulnerable consumers and struggling businesses.

So far, there are no plans to put a temporary cap on gas prices. Proponents of gas price cap argue it would make wholesale power prices cheaper as most markets in Europe use natural gas as the price-setting mechanism for power.

The draft dismisses some more radical measures that have been circulated such as a full suspension of wholesale markets or absolute price caps on all electricity generation, which are measures adopted already in Spain and Greece.

It also dismissed the idea of subsidies to reduce the cost of ETS carbon permits or mandatory interventions in retail markets as "most of these options would not be suitable as they would lead to an increase in electricity and gas demand and would entail a risk to security of electricity supply".

Price Panic Prods Politicians

Stratospheric spot gas prices have pushed day-ahead baseload power prices in Germany, France and the Netherlands to stratospheric levels, hitting €700 per megawatt hour ($698/MWh) last week, versus less than $100/MWh in August 2021.

Earlier this week, European Commission president Ursula von der Leyen said skyrocketing electricity prices are "exposing the limitations of our current market design", which is why Brussels is both "working on an emergency intervention and a structural reform of the electricity market".

French economy minister Bruno Le Maire said the EU's internal power market needs a complete "top-to-bottom overhaul".

Many industry players and energy policymakers favor intervention at the EU level rather than piecemeal action in individual member states.

"The markets are well connected. An intervention at regional or even EU wide level would be much better and easier," Andreas Jahn, senior associate at energy NGO Regulatory Assistance Project, told Energy Intelligence. "Different member state interventions would result in further disruption of the EU power markets."

Von der Leyen has said that decoupling measures — where gas was no longer the marginal fuel in setting electricity prices — could be implemented in "a couple of weeks" but it now seems Brussels prefers a price cap on non-gas generators rather than an overhaul of power market rules.

Observers have stressed that a major overhaul of integrated European power markets could take months to undertake. A temporary cap on non-gas generator returns would be much easier to implement.

Other short-term measures include reducing VAT on energy and freezing energy levies.

Snowballing Support

Many European countries, including the UK, are looking at ways to change power markets so gas has a reduced role in setting power prices and cheaper forms of generation, such as renewables and nuclear, play a bigger role.

Previous opponents to power market rule changes such as Germany, Belgium and Austria now support a rapid overhaul of electricity markets.

Energy commissioner Kadri Simson said in July that an analysis of options and benefits would be released in October with potential legislative proposals for a market overhaul due early 2023.

Jason Eden, London

Iran, US Continue to Exchange Views on Nuclear Deal

Iran and the US continue to discuss a proposed "final text" for a new nuclear deal, but gaps remain between the two sides.

Foreign Ministry spokesperson Nasser Kanani said late on Thursday that Iran had examined the latest communication from Washington and had provided EU coordinator Josep Borrell with further input.

"The text that was sent [by Iran] has a constructive approach aimed at finalizing the negotiations," he added.

However, US State Department spokesman Vedant Patel described Iran's latest contribution to the process as "not constructive."

The two countries have been exchanging views on a proposed final text that Borrell presented in early August to revive the 2015 nuclear deal formally known as the Joint Comprehensive Plan of Action (JCPOA).

Patel's remarks came a week after US National Security Communications Coordinator John Kirby said the two sides were "closer" to striking a deal but that "gaps remain."

Energy Intelligence understands that those gaps include Iran's insistence that an investigation by the International Atomic Energy Agency must end before it can reach an agreement with Washington.

Another stumbling block is Iran's demand for guarantees that ensure it will reap the full economic benefits of the JCPOA, if and when US sanctions are lifted.

Iran is hopeful that a revived nuclear deal will enable it to ramp up its crude exports during a period of favorable market conditions and high prices.

In anticipation of a potential ramp-up, Iran is working to raise its oil production capacity by next March.

Capacity is set to increase by 200,000 barrels per day to just over 4 million b/d, Mohsen Khojastehmehr, CEO of National Iranian Oil Co. (NIOC) and Iran's deputy oil minister, was quoted as saying by state news agency Irna.

Khojastehmehr said Iran is ready to return to the global oil market and increase its exports "significantly."

Oliver Klaus, Dubai

Aramco Mulls Stake in Renault Thermal Engine Unit

Saudi Aramco is eyeing the acquisition of a stake in the future thermal engine business of French car maker Renault, a move in line with the oil giant's target to reduce emissions and improve fuel efficiency in internal combustion engines.

It is understood that Renault plans to separate its thermal engine business from its electric vehicle (EV) division and that early talks are under way for the possible acquisition of a stake in the unit by state-controlled Aramco, according to a source familiar with the matter.

However, so far, there is nothing material yet to suggest that the talks would lead to a deal, the source added.

No one from Aramco was available to comment.

This week, French newspaper *Le Monde* first reported that Aramco could take a stake in Renault's future thermal engine unit. Reuters meanwhile reported that the French carmaker was eying a partnership between Geely and an unspecified oil company to take a majority stake in the unit.

Improving Efficiency, Preserving Demand

Improving the efficiency of car combustion systems has been an area that Aramco has been keen on expanding on for some time.

"There are a number of variables in an ICE [international combustion engines] engine that can be altered to achieve higher efficiency and lower emissions," the company says.

Cleaner technologies and fuels for conventional applications such as ICE could potentially extend the life of fossil fuels and lock in long-term hydrocarbon demand for producers such as Saudi Arabia.

According to Aramco projections, the majority of cars on the road will still use combustion engines until at least 2040.

Against this backdrop, the company argues that advanced, efficient internal combustion engines are the most effective way to reduce carbon emissions in the short-to-medium term.

"Through our global research centers and partnerships with the automotive industry, we're improving the internal combustion engine and advancing game-changing transportation technologies that can significantly reduce emissions and improve fuel efficiency for energy consumers around the world," according to the company.

Aramco made headlines last year when it pledged to reach net-zero greenhouse gas emissions by 2050 as part of a broader commitment by the entire kingdom of Saudi Arabia to reach net-zero emissions by 2060.

Amena Bakr, Dubai

Oil Futures Find Floor After Brutal Week

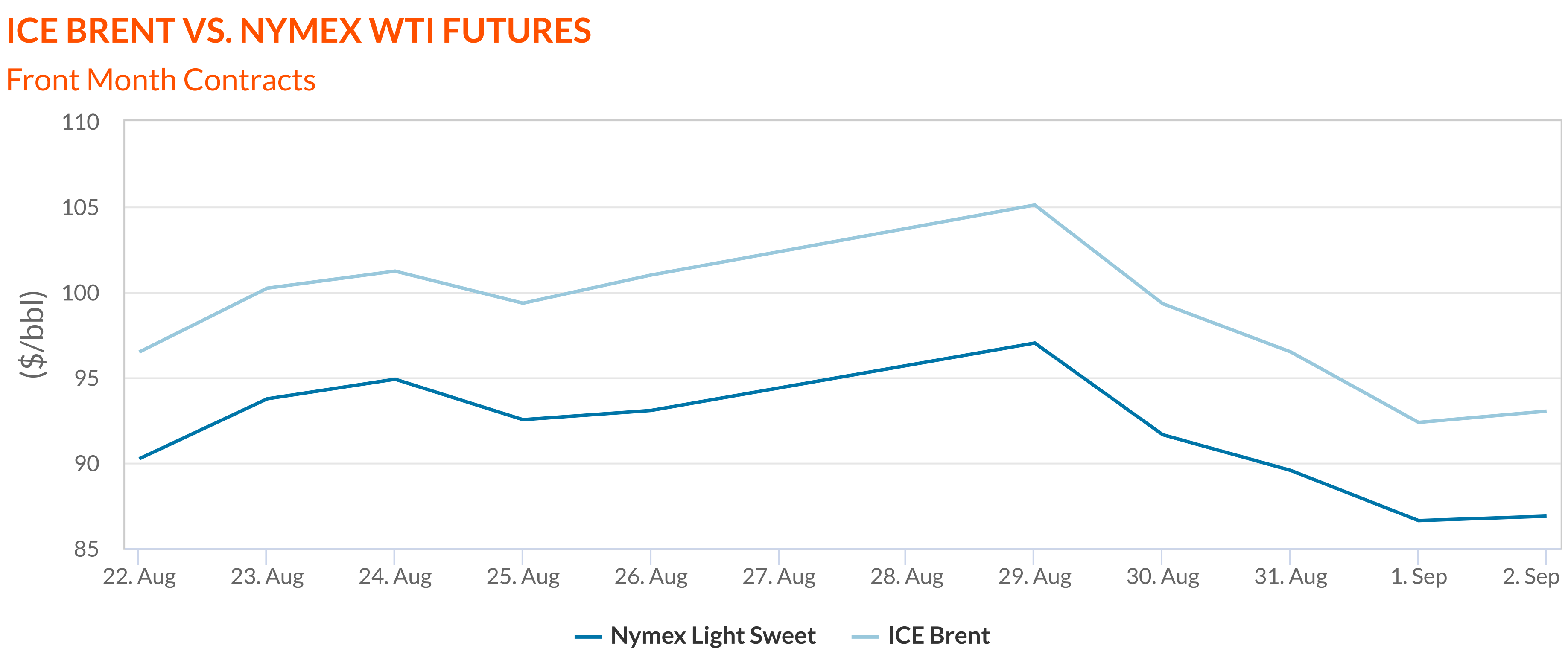
After three days of significant losses, oil prices found support on Friday as the outlook dimmed for a near-term flood of Iranian barrels into the market.

At one point leading oil benchmarks were up by roughly $3, but the bearish mood that dominated throughout the week returned and shaved off most the day's gains.

Oil products were also brutalized during the week but were more buoyant on Friday as economic and market data in the US suggested that motorists will be busier than anticipated this fall.

In London, the November contract for ICE Brent rose 66¢ to close at $92.36 per barrel, while on Nymex in New York, the October contract for West Texas Intermediate (WTI) ticked up 26¢ to settle at $86.87/bbl.

For the week, front-month Brent fell by $8.63, or 8.5%, while WTI was down $6.19, or 6.6%. WTI closed the week at its lowest level since Feb. 25, the day after the war in Ukraine began.



Reports that an agreement with Iran on its nuclear program may have been torpedoed by the latest response from Tehran breathed some life back into oil futures.

The tone for a movement to the upside was also set by a warning out of Moscow saying that if the G7 nations proceed with a price cap on Russian oil, then Russia could respond with a total ban on oil sales to certain countries.

Supplies Still Tight

The global spotlight will now shift completely to Opec-plus, whose leaders will meet on Monday to discuss the coalition's output target for October and possibly beyond.

The 23-member alliance has been remarkably effective at not only managing supply but reacting to market signals, and most observers expect a cohesive response to the recent oil price volatility.

“Talk is cheap in the business — action is needed,” said Stephen Brennock of London-based brokerage PVM Oil. “The failure to deliver an adequate and unified supply response risks sending oil prices tumbling further.”

Although bears have had more traction in recent days, fundamentals still point to a tight market. The spread between November and April Brent is $6, which is low compared to the lofty $15 levels seen in June-July but still historically high. Any number of events could trigger greater backwardation, which is the premium buyers must pay for oil delivered now rather than later.

Global supply is “the tightest it's been in decades,” wrote Phil Flynn, an analyst at Price Futures Group. “The reality is that price spikes are extremely likely as we head into winter.”

Meanwhile, the October contract for US RBOB, a blending component used to make gasoline, gained 7.8¢ on Friday to close at $2.463 per gallon.

The nearly 3% gain seemed to be a response to better-than-expected data on the US labor market, signaling that the economy might not be headed into recession as soon as many have predicted.

Gary Peach, New York

IN BRIEF

Newcomer Chases Shell Stake in Russian JV

A little-known Dubai-based logistics company is reportedly looking to buy Shell's 50% stake in the 125,000 b/d Salym Petroleum Development (SPD) producing company in West Siberia

Shell earlier announced plans to withdraw from its Russian assets, including its stake in the SPD where it is partnered with Gazprom Neft as well as in the Sakhalin-2 project.

According to the Russian business daily *Kommersant*, little-known Wellnord is looking to purchase a stake in SPD for €150 million in a deal that was already discussed with Moscow. Neither side agreed to comment.

Little is know about the company. Wellnord's official website says that it provides "a wide range of transport services within the Caspian Sea and Black Sea" and operates "a chartered fleet of oil tankers ... with extensive experience in transporting crude oil and petrochemical products".

Gazprom Neft has preemption rights for Shell's stake, but sources earlier said that formally Shell has not announced its withdrawal.

Such a sale would also be impossible because of EU sanctions against the Russian major.

Shell earlier this year announced a tender to sell the SPD share but it failed to find a buyer.

Staff Reports

Singapore Stocks Rise

Singapore onshore oil product inventories rose by 2.3% from a week ago to 46.74 million barrels on Aug.31, according to data released by government agency IESingapore.

SINGAPORE ONSHORE PRODUCT STOCKS

('000 bbl)	Aug 31	Aug 24	Vol. Chg.	%Chg.
Light Distillates	16,332	17,349	-1,017	-5.9%
Middle Distillates	7,738	7,231	507	7.0
Fuel Oil	22,667	21,088	1,579	7.5
Total	**46,737**	**45,668**	**1,069**	**2.3%**

Source: IE Singapore

Freddie Yap, Singapore

DATA SNAPSHOT

Oil and Gas Prices, Sep. 2, 2022

All data are produced by Energy Intelligence in cooperation with Refinitiv.

CRUDE OIL FUTURES

($/bbl)	Chg.	1st Mth.	2nd Mth.
ICE Brent	+0.66	93.02	91.81
Nymex Light Sweet	+0.26	86.87	86.48
DME Oman	+0.98	92.94	90.29
ICE Murban	+1.32	94.50	91.51

INTERNATIONAL SPOT CRUDES

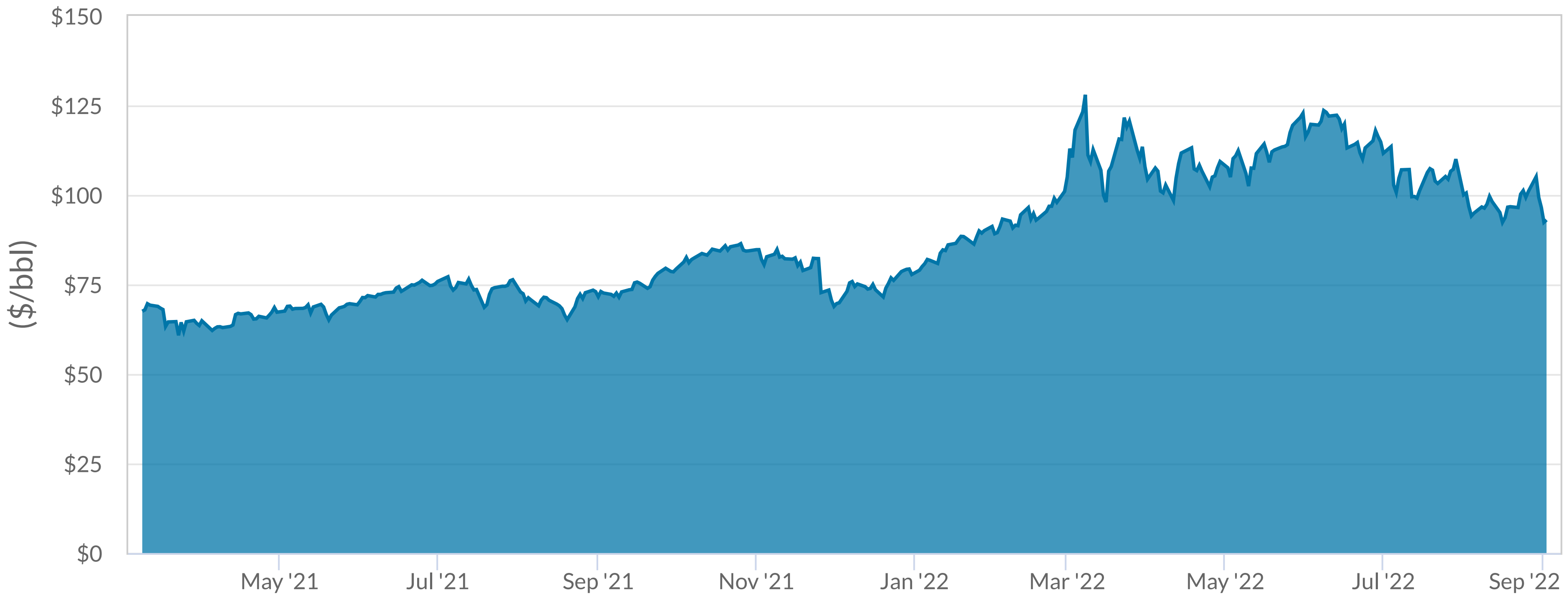
($/bbl)	Chg.	Price	Prior Close
Brent (Dated)	+0.86	93.09	92.23
Dubai	+0.75	94.80	94.05
Forties	+1.77	94.29	92.52
Bonny Light	+0.77	97.79	97.02
Urals	+1.77	75.79	74.02
Opec Basket*			98.27

*Opec price assessed.

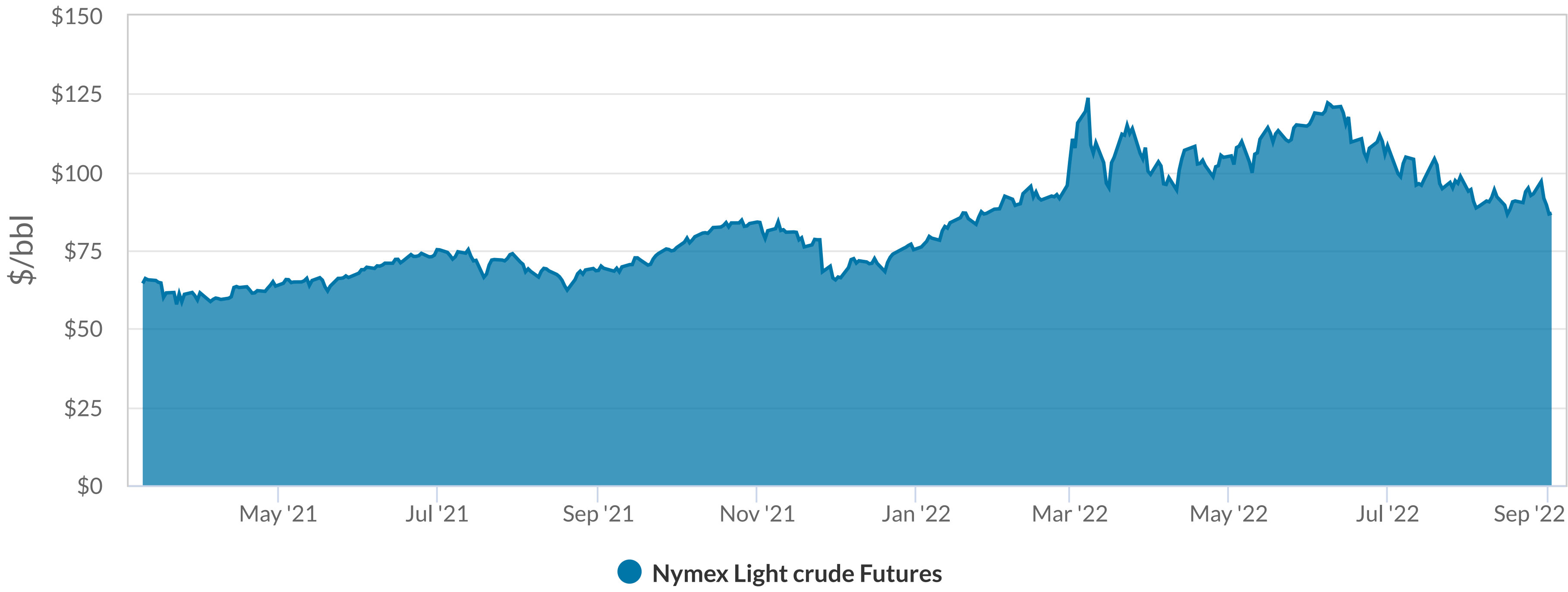
NORTH AMERICAN SPOT CRUDES

($/bbl)	Chg.	Price	Prior Close
WTI (Cushing)	+0.20	87.29	87.09
WTS (Midland)	-0.75	86.49	87.24
LLS	+0.10	89.59	89.49
Mars	+0.50	86.04	85.54
Bakken	+0.20	91.79	91.59

ICE BRENT CRUDE FUTURES



NYMEX LIGHT CRUDE FUTURES



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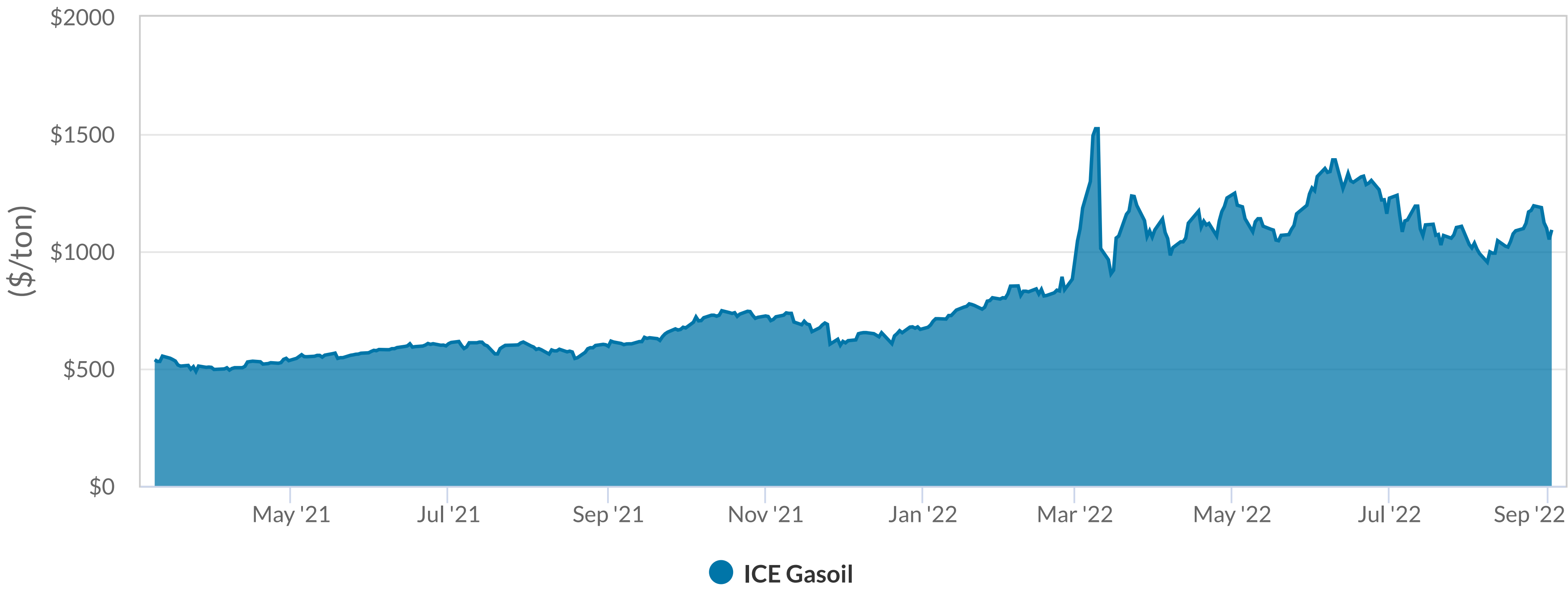
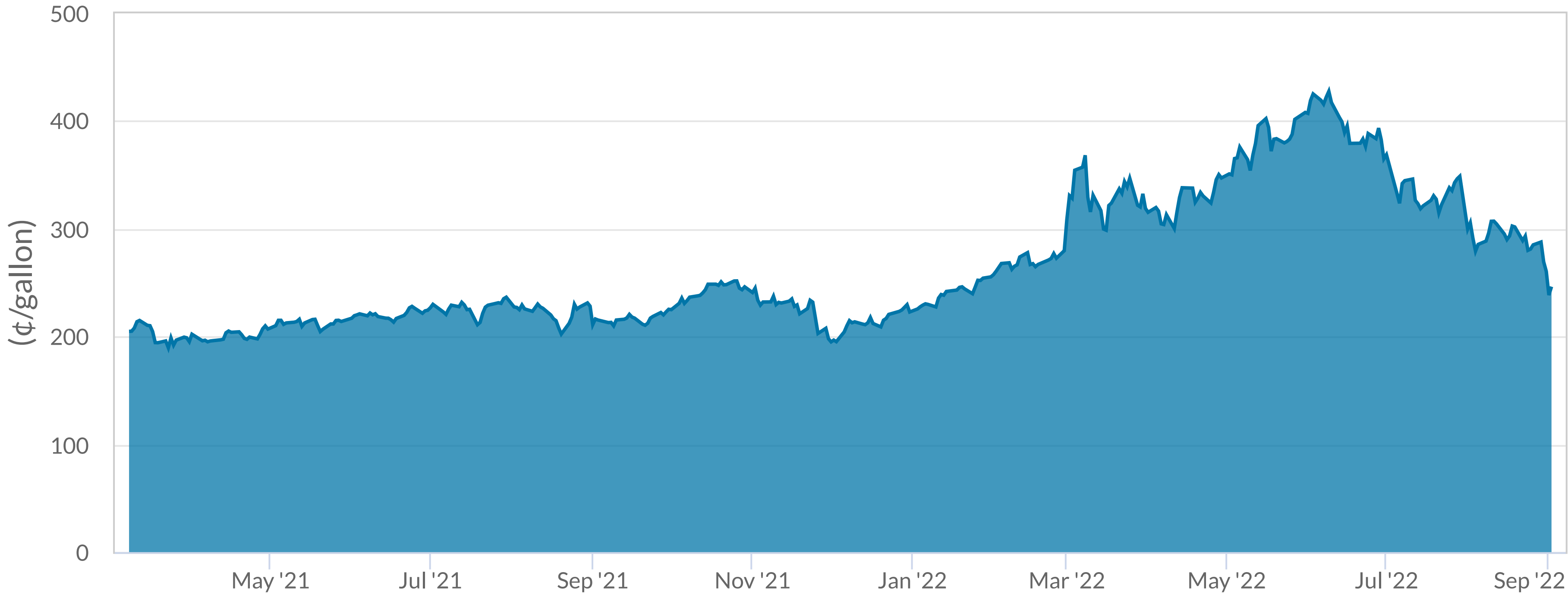
REFINED PRODUCT FUTURES

Nymex	Chg.	1st Mth.	2nd Mth.
Gasoline (¢/gal)	+7.83	246.36	240.59
ULSD Diesel (¢/gal)	+1.68	357.80	351.12
ICE			
Gasoil ($/ton)	+40.75	1091.25	1059.25
Gasoil (¢/gal)	+13.01	348.29	338.07

ICE GASOIL FUTURES



NYMEX GASOLINE FUTURES



US SPOT REFINED PRODUCTS

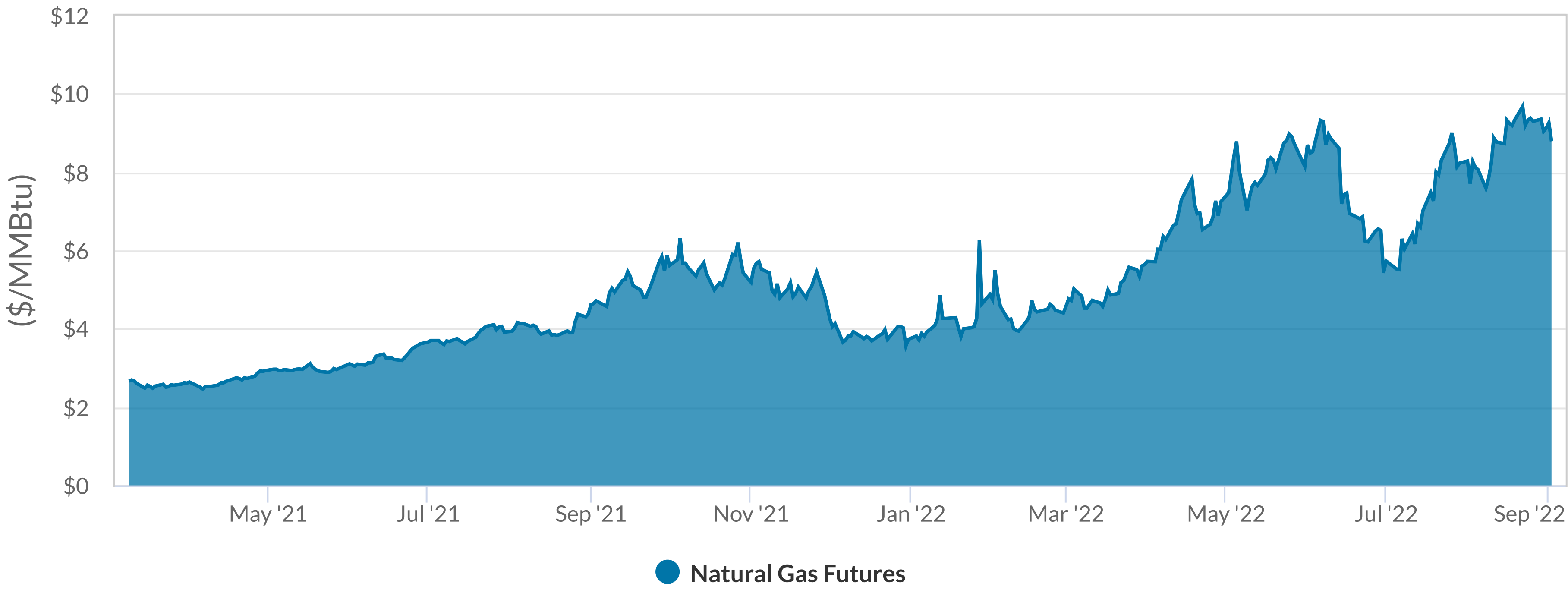
New York (¢/gal)	Chg.	Price	Prior Close
Regular Gasoline	+7.22	262.37	255.15
No.2 Heating Oil	+7.67	348.19	340.52
No.2 ULSD Diesel	+7.67	366.69	359.02
No.6 Oil 0.3% *			85.62
No.6 Oil 1% *			82.67
No.6 Oil 3% *			76.02
Gulf Coast (¢/gal)			
Regular Gasoline	+10.47	255.62	245.15
No.2 ULSD Diesel	+32.17	358.69	326.52
No.6 Oil 0.7% *			85.32
No.6 Oil 1% *			85.32
No.6 Oil 3% *			72.12

*Price in $/bbl. Percentages refer to sulfur content.

INTERNATIONAL SPOT REFINED PRODUCTS

Rotterdam ($/ton)	Chg.	Price	Prior Close
Regular Gasoline	+26.30	817.30	791.00
ULSD Diesel	+26.00	1101.25	1075.25
Singapore ($/bbl)			
Gasoil	+1.25	131.73	130.48
Jet/Kerosene	+0.81	132.81	132.00
VLSFO Fuel Oil ($/ton)	+10.29	665.36	655.07
HSFO Fuel Oil 180 ($/ton)	+14.59	455.84	441.25

NYMEX NATURAL GAS FUTURES



Refinitiv

NATURAL GAS PRICES

($/MMBtu)	Chg.	Price
Henry Hub, Nymex	-0.48	8.79
Henry Hub, Spot	N/A	8.91
Transco Zone 6 - NY	N/A	7.90
Chicago Citygate	-0.41	8.40
Rockies (Opal)	-0.64	8.51
Southern Calif. Citygate	-2.19	13.41
AECO Hub (Canada)	-1.25	1.26
Dutch TTF (euro/MWh)	-35.52	190.48
UK NBP Spot (p/th)	-191.00	150.00

US/Canada spot prices from Natural Gas Week

Equity Markets, Sep. 2, 2022

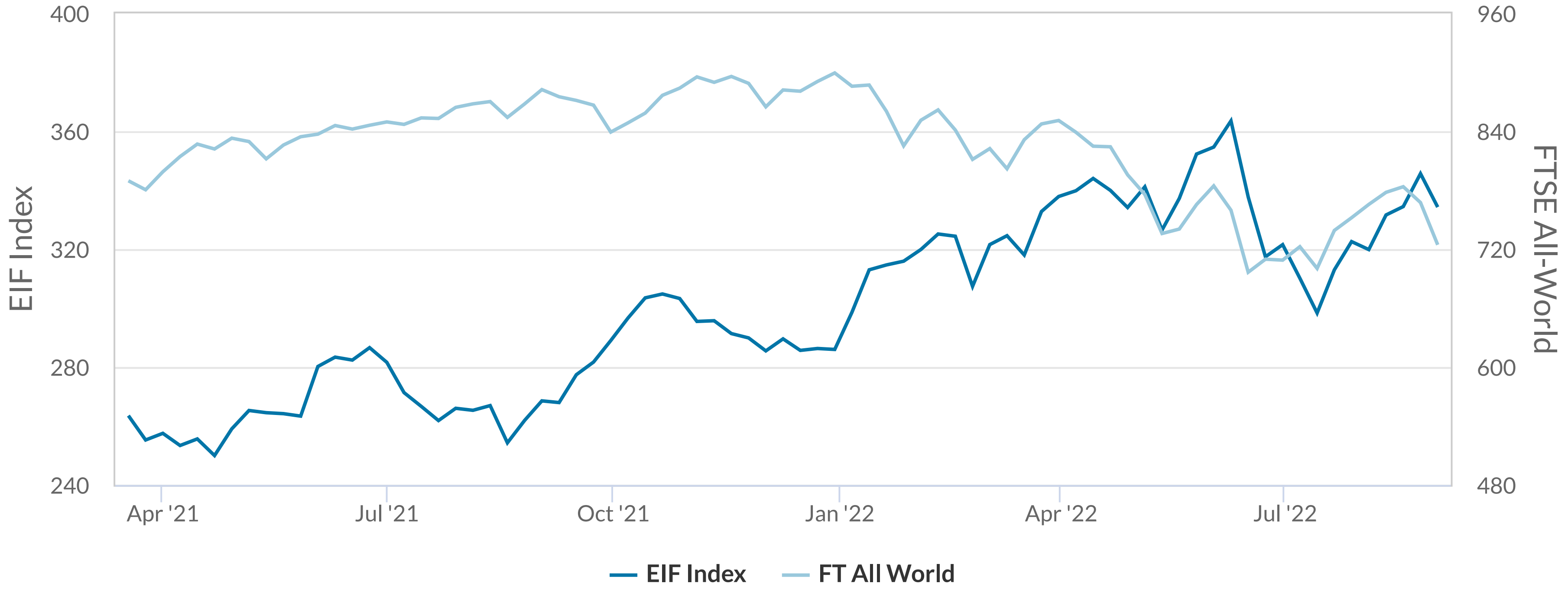
All data are produced by Energy Intelligence in cooperation with Refinitiv.

EQUITY MARKET INDEXES

	Chg.	Index	YTD %Chg.
EIF Global*	-2.52	334.27	+16.56
S&P 500	-42.59	3,924.26	-18.13
FTSE All-World*	-5.62	724.44	-19.61

*Index for previous day

EIF INDEX



EIF Global Oil and Gas Index of 21 traded equities