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INTERNATIONAL OIL DAILY®

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In Brief

Data Snapshot

UK Publishes Russia Oil Price Cap Guidelines

The UK government published guidelines on Monday to explain how it will implement the G7 price cap for exports of Russian oil and the related ban on the provision of shipping services for those exports.

An agreement on the appropriate price levels — there will be separate price caps for crude oil (from Dec. 5) and refined products (Feb. 5) — could be reached as early as the G20 summit in Indonesia on Tuesday and Wednesday.

A 34-page document published by the UK Treasury said the onus is on oil traders and refiners to truthfully report the price they pay for Russian oil.

Infractions of the rules could incur fines of up to £1 million ($1.2 million) or 50% of the value of the transaction in question.

An EU embargo on imports of Russian oil takes effect at the same time as the price cap, while the US and UK have already banned imports in response to Russia's invasion of Ukraine.

The price cap targets Russia's exports to third countries and is intended to allow oil to keep its oil flowing despite the ban on shipping and related financial services.

Waivers to the ban on shipping services will be granted if a cargo is purchased at or below the G7 price cap.

The UK is a crucial part of the initiative because of the big role it plays in international maritime insurance. It provides some 60% of protection and indemnity coverage for the global shipping industry, according to the UK Treasury.

Each of the participating countries is incorporating the agreed sanctions against Russia into national regulations.

Reporting Rules

The UK guidelines said that banks, insurance and shipping companies must try to ascertain the price at which Russian oil was acquired, but they will not be held responsible if they are found to have acted on wrong information provided by others.

"Those closest to the price information and transacting regularly (such as oil traders and brokers) will have greater requirements under the attestation system than those further from the price information or transacting annually (such as maritime insurers)," the UK Treasury document said.

All parties that form part of the maritime supply chain will need to "retain and share price information" and must report "any knowledge or reasonable suspicion of an offense being committed."

Compliance with the legislation will be overseen by the UK Treasury's Office of Financial Sanctions Implementation.

In practice, some suggest the requirements of the attestation process may prompt some firms to avoid involvement with trade in Russian oil, given the time and effort involved and the cost of any infractions.

The regulations could also lead to the emergence of separate markets for insurance and financing for cargoes heading to countries that are still willing to buy Russian oil without complying with the G7 restrictions.

Russia, for its part, has insisted that it won't supply oil to any country that participates in the price cap scheme.

China, India Step In

The US proposed the price cap to other members of the G7 as a way to limit Moscow's oil revenues — and funding for its war in Ukraine — while maintaining the flow of Russian oil to the global market at a time of tight supplies and high prices.

Speaking in Indonesia on the eve of the G7 summit on Monday, US Treasury Secretary Janet Yellen insisted that India and China's purchases of Russian oil this year were consistent with the price cap plan.

As traditional buyers of Russian oil in Europe dialed down their purchases this year, India and China bought more, taking advantage of deeply discounted prices.

Yellen argued that the price cap would give those two countries — and other buyers — greater leverage to negotiate lower prices.

Complicated Compliance

An employee at one European refiner said he had "no idea" how the price cap would work in practice, noting that his own plant and others in the EU will be barred from buying Russia's Urals crude from Dec. 5.

"For others, it will depend on the level of the price cap. Urals is already $20 below [benchmark] Brent, so if the cap is more or less at that level, I suppose nothing will change," he said.

However, the cap is expected to be imposed as a fixed price rather than a differential — complicating compliance for traders.

The UK rules said the price will be determined according to "the most recent transaction" in the period between the loading of a cargo and offloading at the destination country, at the point of customs control.

However, traders will not know that price in advance — when shipping and insurance are arranged — if a deal uses a variable benchmark, as is standard practice.

The rules also require any deviation from standard shipping rates to be reported, to avoid these costs being used as a way to circumvent the cap.

Tom Pepper, London

Japan Faces Balancing Act on Russia Price Cap

Resource-poor Japan appears set to take an equivocal line on the G7's upcoming price cap on Russian crude — avoiding either active support for, or opposition to, the measure.

Tokyo is caught in a bind between aligning itself with fellow G7 members, which are drawing up details for implementing the price cap on Russian crude from Dec. 5, and ensuring Japan's energy security.

Officially, Japan supports imposing a price cap on Russian crude based on the joint G7 statement in September, said one official from the Ministry of Economy, Trade and Industry (Meti). "We are aligned with G7 and we will continue to cooperate with our members." The price cap aims to ensure Russian oil continues to flow after a European ban on shipping services is imposed, while capping Moscow's oil revenues.

However, observers expect Japan to be a passive follower of the price cap. "Japan will not explicitly oppose the price cap sanction among G7, but also will not proactively support the idea," said a Tokyo-based analyst.

Nonetheless, diplomatic sources say that putting in place the necessary legal framework in Japan to support the G7 price cap could be done quickly through executive actions.

Since Russia's invasion of Ukraine, Japan has joined the G7 in imposing financial sanctions on Russia, but has refrained from officially imposing an embargo on Russian oil.

Reliant on Imports

In July, Prime Minister Fumio Kishida suggested the price cap was expected to be around half of the current price of Russian crude. This drew a sharp rebuke from Russia's former Prime Minister Dmitry Medvedev, who threatened to kick out Japan from Sakhalin-2 project in Russia's Far East and cut off supplies to Japan.

Japan — Asia's fourth-largest crude importer behind China, India and South Korea — relies fully on imports, which averaged 2.72 million barrels per day in January through September.

Nonetheless, Japanese refiners have shunned Russian crude due to reputational risks and potential operational issues. Japan's crude imports from Russia have been zero since June, according to Meti and ship-tracking data.

The price cap issue will be at the center of talks — either publicly or behind the scenes — as G20 leaders meet in Bali over the next two days.

Keeping a Foothold

While many Western oil companies have exited Russia or suspended new investments, Japanese consortium Sodeco has retained its 30% stake in Russia's Sakhalin-1 producing venture. The consortium comprises Meti (50%), Japan Petroleum Exploration (15.285%), Inpex (6.08%), Marubeni (12.349%), Itochu (14.456%) and Itochu Oil Exploration (1.83%).

Observers expect Moscow to approve Sodeco staying in Sakhalin-1, just as it approved Japanese trading houses Mitsui and Mitsubishi keeping their stakes in the Sakhalin-2 venture.

Energy Intelligence understands that those equity stakes could come with offtake agreements for a commensurate amount of crude production from the projects — as they did under the previous ownership structure — but the details of the new agreements have not been discussed publicly.

European Exemption

Tokyo last month received a six-month exemption from the EU that will allow European companies to provide shipping and related services for crude exports from the Sakhalin-2 venture to Japan. This would permit the transport of crude oil from Sakhalin-2 from Dec. 5 until Jun. 5, 2023, on grounds that this is essential to Japan's energy security.

Observers expect Tokyo to similarly seek EU exemption for exports from Sakhalin-1 which is now under the control of a Russian operating company, replacing Exxon Mobil as the operator. Sakhalin-1 had an original nameplate capacity of 250,000 b/d which makes it a bigger crude producer than the LNG-focused Sakhalin-2 project. Its output plunged when the Ukraine crisis began, but production has now started rising.

Even with the exemption, it remains to be seen whether Japanese refiners would resume Russian imports given the reputational risks. Japan's largest refiner Eneos, which imported its last Russian cargo in April, told Energy Intelligence it has no plans to resume Russian imports.

Staying Cautious

The exemptions would ensure Japan would not be affected by the EU ban on shipping and related services. Russian leader Vladimir Putin has threatened not to supply oil to countries that apply the price cap, but Japan's quick substitution of alternative crude supplies means this threat does not have the leverage it once did.

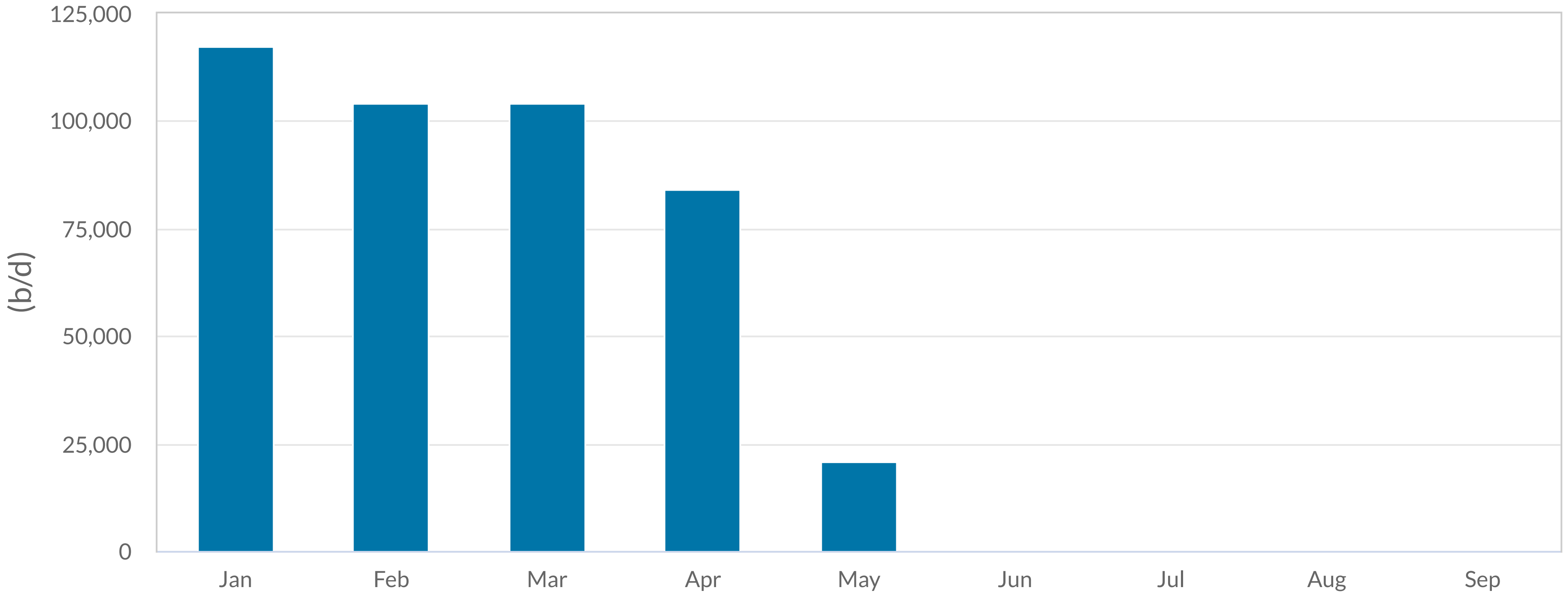
Nonetheless, Japan is being careful not to completely cut off its options. Energy security plays a key role in Japan's political calculus. Russia was Japan's fifth-largest supplier last year, accounting for 3.6% of Japan's total crude imports with supplies averaging 89,000 b/d. Japan is now lifting more crude from the Middle East, which accounts for more than 95% of total imports.

Although Japan can cope without Russian crude, the Meti official said Sakhalin-1 remains important to allow Japan to diversify its supplies and ensure energy security.

Japanese diplomatic sources point out that Japan is more isolated than the EU and lacks both cross-border trade flows and domestic production. Maintaining a presence in Russia and continuing oil and gas imports are seen as necessary evils, they said.

Supply disruptions in the 1970s oil crisis led to panic over Japan's oil supplies and triggered a shift from burning oil in power plants to LNG and nuclear power.

JAPAN'S CRUDE IMPORTS FROM RUSSIA IN 2022



Source: Japan's Ministry of Economy, Trade and Industry

2021 JAPAN CRUDE OIL IMPORTS BREAKDOWN

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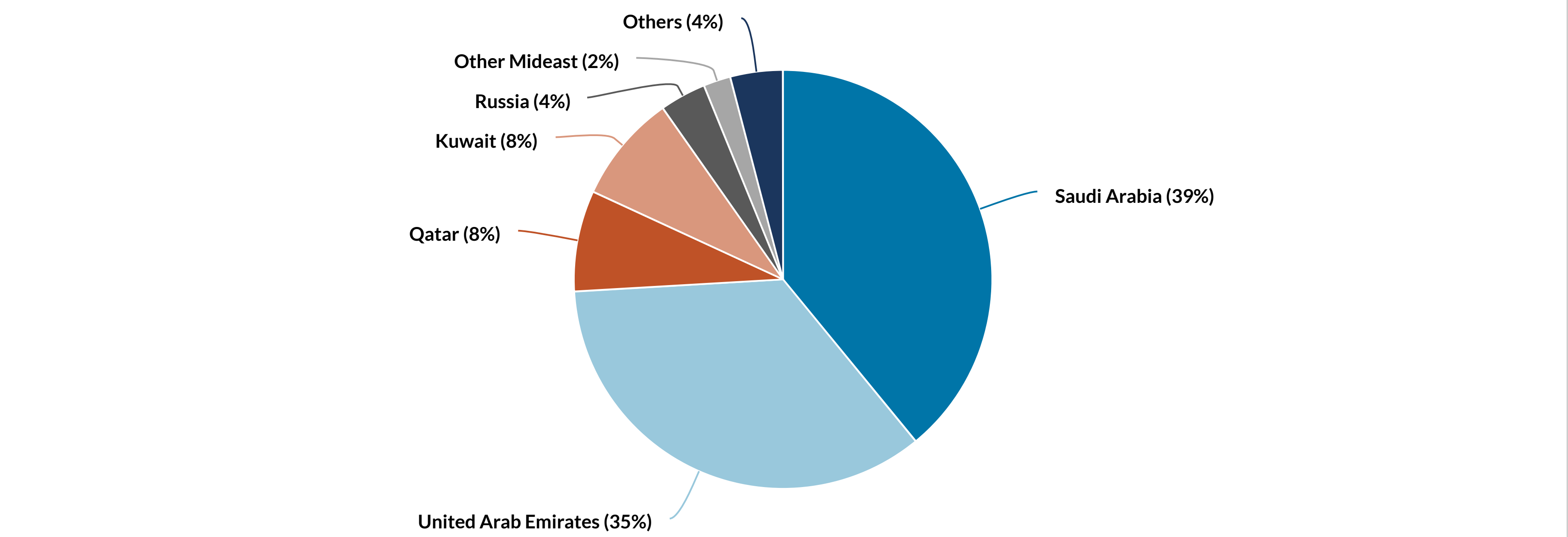

Source: Japan's Ministry of Economy, Trade and Industry

2022 JAPAN CRUDE OIL IMPORTS BREAKDOWN

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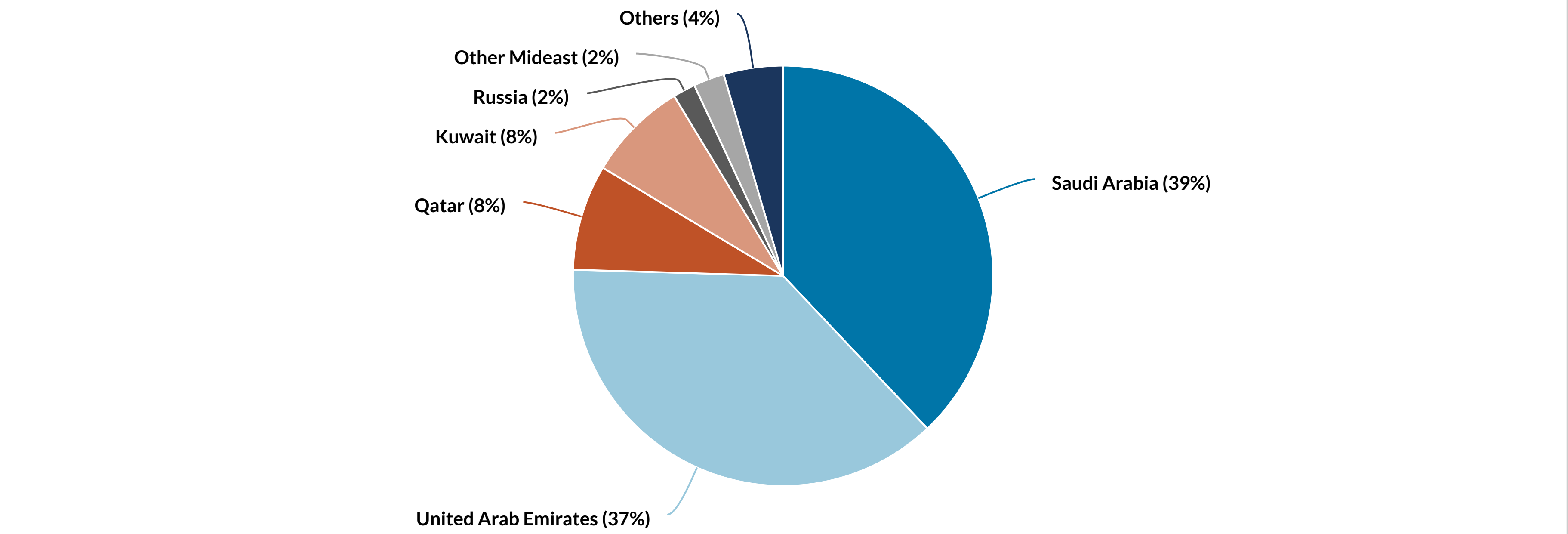


Source: Japan's Ministry of Economy, Trade and Industry

Clara Tan, Singapore

Riyadh Seeks to Reclaim Climate Narrative

Saudi Arabia has leveraged this month's COP27 climate summit to unleash a barrage of green initiatives as it seeks to assert its regional climate leadership and respond to criticism of the kingdom's environmental record.

Unsurprisingly, given its massive oil production, Saudi Arabia has the highest per capita greenhouse gas emissions among the G20. And the kingdom has sparked criticism from environmentalists by traditionally spearheading producers' responses to anti-fossil fuel measures on the global stage.

For many, the reinvention of Riyadh as a "jolly green giant" is a hard sell. But no doubt in Sharm el-Sheikh, Riyadh has pulled out all the stops, hosting a series of high-level presentations to deliver a clean energy policy blizzard. Among the flagship initiatives announced are:

- The establishment of a national greenhouse gas crediting and offsetting scheme to be launched at the beginning of next year.
- Massive expansion of its carbon capture and storage (CCS) ambitions, now targeting 44 million tons per annum by 2035, with a 9 million ton/yr Phase-1 to be in place by 2027.
- Thirteen new renewable energy projects with a total capacity of 11.4 gigawatts at an estimated investment value of $9 billion, as part of the Saudi push to have 50% of its electricity generation from renewables by 2030.
- Saudi Arabia's Public Investment Fund (PIF), the country's sovereign wealth fund, targeting net zero by 2050, a decade ahead of the national target.
- Acceleration of the Saudi Green Initiative afforestation program. 600 million trees are to be planted by 2030, 150 million up on an earlier target.
- The launch of Ceer, the first Saudi electric vehicle (EV) brand. This comes as EV firm Lucid builds its first factory outside the US in the kingdom. When both are up and running, the kingdom should be producing 328,000 EVs per year, according to Yasir al-Rumayyan, governor of PIF and architect of a recent green bond issuance, the first ever by a sovereign wealth fund.
- The success last month of what al-Rumayyan called "the largest carbon credit auction in the world."

Saudi Energy Minister Prince Abdulaziz bin Salman also on Saturday announced the launch of the Circular Carbon Economy Knowledge Hub to "facilitate regional collaboration," the establishment of a regional center to advance emissions reduction, and the kingdom's plan to host Mena Climate Week in the lead up to next year's COP28 in the United Arab Emirates.

Mission Almost Impossible

Riyadh has set itself a tough task. The country is relatively new to solar and the scale of its ramp-up will be challenging. Some 26 oil-fired power plants will have to be decommissioned in the next five years, as part of the transition.

On afforestation, the Saudi Green Initiative has set itself a long-term target of planting 10 billion trees, with another 40 billion as part of a wider Middle East Green Initiative (MGI) to which Riyadh has pledged $2.5 billion. But details on how the initiatives will be implemented are sketchy.

Riyadh has offered to host the MGI headquarters and has received support from some countries in the region. But much more needs to be done to bring life to this regional scheme.

Nature-based offsets have come under fire, with critics arguing that projects need to not only show they have planted trees that otherwise would not be there, but also that the trees will remain in place, thus providing permanent carbon sequestration.

In a high-level UN experts report released last week at COP, it was recommended that non-state actors should not be allowed to claim nature-based offsets, slamming them as "greenwashing." But, argues Daniel Nepstad, president of the Earth Innovation Institute, which advocates for such solutions, these offsets have massive potential.

"If we don't slow down deforestation and degradation, we could get to a tipping point in the Amazon where there's just this accelerating flow of carbon out of the region," Nepstad argues.

Privately, sources in the kingdom acknowledge third-party verification and monitoring is needed for the Saudi scheme to have integrity. A study on how to best implement the scheme, involving outside consultants, is under way, with findings out in March, said one source.

Rafiq Latta, Nicosia

Opec Further Trims Outlook for Global Oil Demand

Opec has lowered its estimate of growth in global oil demand in 2022 and 2023 for a second consecutive month, saying there are signs that the global economy has entered a period of "significant uncertainty and mounting challenges."

In its latest *Monthly Oil Market Report*, the producer group trimmed its demand forecasts for both years by 100,000 barrels per day. That followed downward revisions last month of 500,000 b/d for 2022 and 400,000 b/d for 2023.

After the latest adjustments, Opec is now forecasting that world oil demand will grow by 2.55 million b/d to an average of 99.6 million b/d this year and by a further 2.24 million b/d to 101.8 million b/d next year.

The downward revisions were driven in part by the extension of China's tough zero-Covid-19 policies and economic challenges in OECD Europe, Opec said in the new report published Monday.

Downside risks to the world economy this year also come from high inflation, monetary tightening by central banks, high levels of sovereign debt in many regions, tightening labor markets and persistent supply chain constraints.

Other uncertainties include geopolitical risks and the course of the Covid-19 pandemic during the Northern Hemisphere's winter months, it added.

Factors Supporting Demand

Despite the potential headwinds, Opec has maintained its forecasts for world economic growth at 2.7% for 2022 and 2.5% for 2023.

Opec said next year's demand outlook is "supported by expected geopolitical improvements and the containment of Covid-19 in China."

Non-OECD countries are expected to see oil demand rise by 1.9 million b/d to 55.4 million b/d in 2023, led by China and India.

The report highlighted that other parts of Asia as well as Latin America and the Middle East are also expected to see "decent gains" thanks to a positive economic outlook.

"In terms of fuels, gasoline and diesel are assumed to lead oil demand growth next year," Opec said.

Supply Outlook

The report projects an increase of 1.9 million b/d in non-Opec liquids supply this year to an average of 65.6 million b/d. That reflects a downward revision of 30,000 b/d versus the October report.

"Upward revisions to liquids production in Latin America and Russia were more than offset by downward revisions to other Eurasia, OECD Europe and Other Asia," Opec said, adding that there is still much uncertainty about Russia's liquids output in the fourth quarter of this year.

Growth in non-Opec liquids production in 2023 is forecast at 1.5 million b/d to an average 67.1 million b/d — little changed compared with the October report.

Opec raised its forecast of Russia's liquids production growth in 2022 by 130,000 b/d to 10.9 million b/d but its sees Russian output falling by 850,000 b/d to around 10.1 million b/d in 2023.

The report cited significant uncertainties surrounding "the geopolitical situation in Eastern Europe, particularly the looming EU sanctions on Russian oil imports."

Opec's November report comes three weeks before Opec and its non-Opec allies hold their next ministerial policy meeting in Vienna on Dec. 4.

There are no firm indications of what the Opec-plus alliance will decide to do in Vienna, but ministers may discuss adjustments to members' production baselines at a time when many producers have been struggling to meet their agreed quotas.

OPEC'S SUPPLY AND DEMAND BALANCES

(million b/d)	2021	Q1'22	Q2'22	Q3'22	Q4'22	2022	Ann.Chg.
World Demand	97.0	99.4	98.4	99.3	101.3	99.6	2.6
Non-Opec Supply	63.7	65.3	64.5	65.5	66.9	65.6	1.9
Opec NGLs	5.3	5.4	5.4	5.4	5.4	5.4	0.1
Call On Opec Crude	28.1	28.7	28.4	28.4	28.9	28.6	0.5
(million b/d)	**2022**	**Q1'23**	**Q2'23**	**Q3'23**	**Q4'23**	**2023**	**Ann.Chg.**
World Demand	99.6	101.3	100.8	101.8	103.4	101.8	2.2
Non-Opec Supply	65.6	66.5	66.9	67.2	67.9	67.1	1.5
Opec NGLs	5.4	5.4	5.5	5.4	5.4	5.4	0.1
Call On Opec Crude	28.6	29.3	28.5	29.1	30.1	29.3	0.7

Source: November Opec Monthly Oil Market Report

Oliver Klaus, Dubai

Indonesia Doubles Down on Biofuels

Indonesia plans to increase its consumption of biofuels next year to reduce costly imports of refined products.

Jakarta will increase the mandatory biofuel content of diesel from the current 30% to 40% in 2023, Energy Arifin Tasrif told a recent conference in Singapore.

A 50,000 kilometer road test is expected to end this month, with early results showing that cars "can operate normally and smoothly" on a 40% biodiesel blend said Dadan Kusdiana, the energy ministry's director general of renewable energy.

Two different blends are being tested. The first uses 30% biodiesel made from palm oil, 10% hydrotreated vegetable oil and 60% diesel. The second uses 40% biodiesel made from palm oil and 60% diesel.

Once the testing is completed, the government will issue a technical recommendation for implementing a B40 biodiesel blend.

Indonesia — which already has the world's highest biodiesel blending mandate — had wanted to introduce B40 back in 2020, but the move was delayed in part by the Covid-19 pandemic.

Its ambitious biofuel program is intended to decarbonize the transport sector and increase energy security against the backdrop of declining domestic oil production.

Indonesia produced 692,000 barrels per day of oil last year but it has consumed 1.4 million to 1.6 million b/d in recent years.

As a result, the country imported over 22 million kiloliters (21.6 million tons) of fuel to meet demand last year.

Indonesia's annual biodiesel production capacity reached 16.3 million kiloliters (16 million tons) in 2021.

Bioethanol

Indonesia is also planning to triple its production of bioethanol by the end of the decade with the aim of launching a new mandate that gasoline must contain 5% bioethanol.

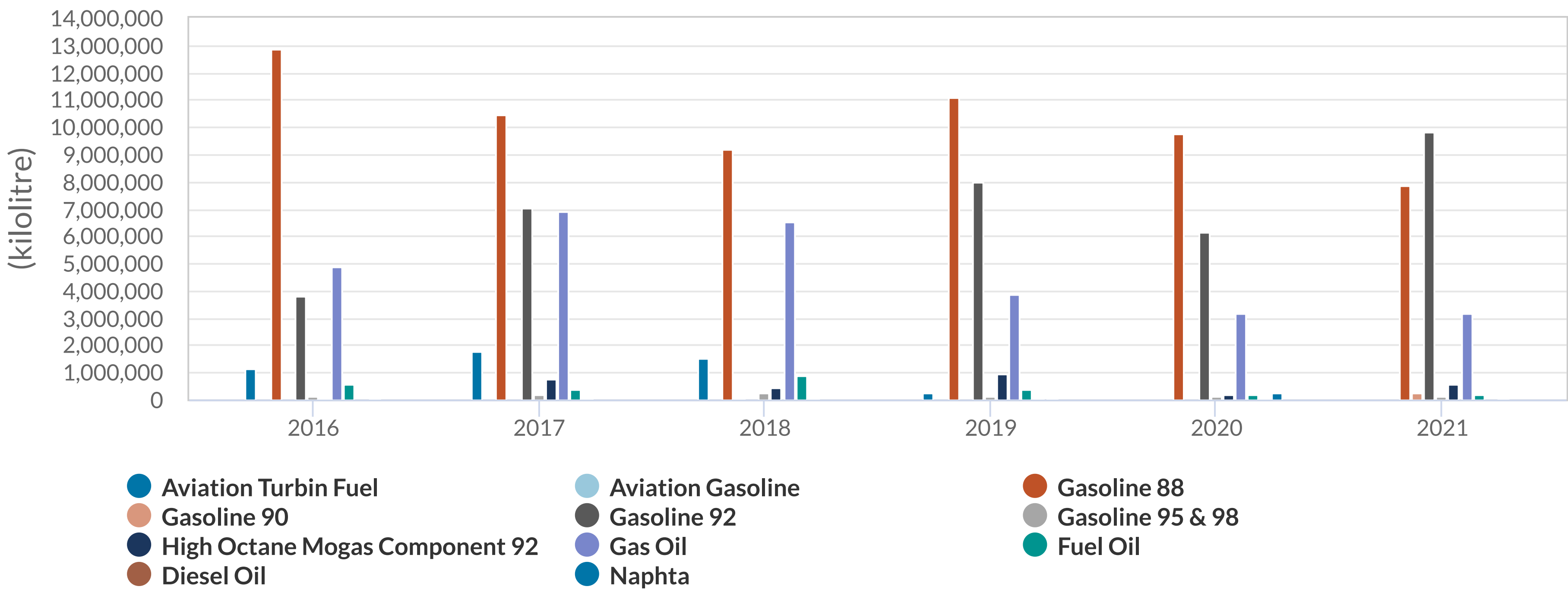
Bioethanol production would jump from 40,000 kiloliters (39,360 tons) in 2022 to 1.2 million kiloliters (1.18 million tons) in 2030 as part of the country's recently launched Sugarcane Bioethanol Program for Energy Security.

A presidential regulation is expected to be introduced to boost the cultivation of sugar and spur domestic production of bioethanol.

"If we can prepare 700,000 hectares, we can be independent, we will be self-sufficient in sugar in the next five years. Now we only have 180,000 hectares," President Joko Widodo said recently.

"We are working with Brazil on this program since it already has good experience in sugarcane and sugar industry," he added.

INDONESIAN IMPORT OF FUELS 2016-2021



Source: Directorate General of Oil and Gas

Marc Roussot, Singapore

Aramco, Total: Don't Neglect Oil and Gas Investment

The CEOs of Saudi Aramco and TotalEnergies teamed up at the COP27 climate conference last week to hammer home the message that the world must continue to invest in oil and gas, even as it steps up investment in low-carbon energy.

Policies to hasten the transition away from oil and gas are "really creating the current crisis today in terms of supply and demand in the markets," Aramco CEO Amin Nasser told a Saudi Green Initiative event on the sidelines of COP27.

Among other things, such policies have sent countries scrambling back to carbon-intensive coal, Nasser said.

Total CEO Patrick Pouyanne, sharing the stage with Nasser, warned that if oil and gas producers don't invest enough in conventional energy, they will be "accused of causing scarcity and the oil and gas prices will go up higher and higher."

Pouyanne said the "major factor is affordability," warning that inflation in the energy markets and elsewhere could "destabilize the global economy."

"The most affordable energy today — because it's dense — is oil and gas. But that's not an excuse to not build the new systems," he said.

But both executives also spoke of the need to invest in carbon capture, hydrogen, and nature-based solutions to offset emissions from combustion of fossil fuels.

Nasser announced plans to develop a carbon capture and storage hub at Jubail on Saudi Arabia's East Coast that would be able to capture 9 million tons of CO_2 per year — 6 million tons from Aramco and 3 million tons from other industrial sources.

Pouyanne said the oil and gas industry has a crucial role to play in decarbonizing the global economy and addressing climate change and should not be excluded from discussion of these issues.

"We have the people. We have the technology. We have the finance. We have the balance sheet to do it," he said.

Saudi Energy Minister Abdulaziz bin Salman also hit back at those who seek to demonize the oil industry.

"The world is hoping to crucify us because we are the biggest exporter of liquids," he told the event.

Saudi Arabia has committed to achieve net-zero emissions by 2060, "but our goal is actually to deliver ahead of time," he said.

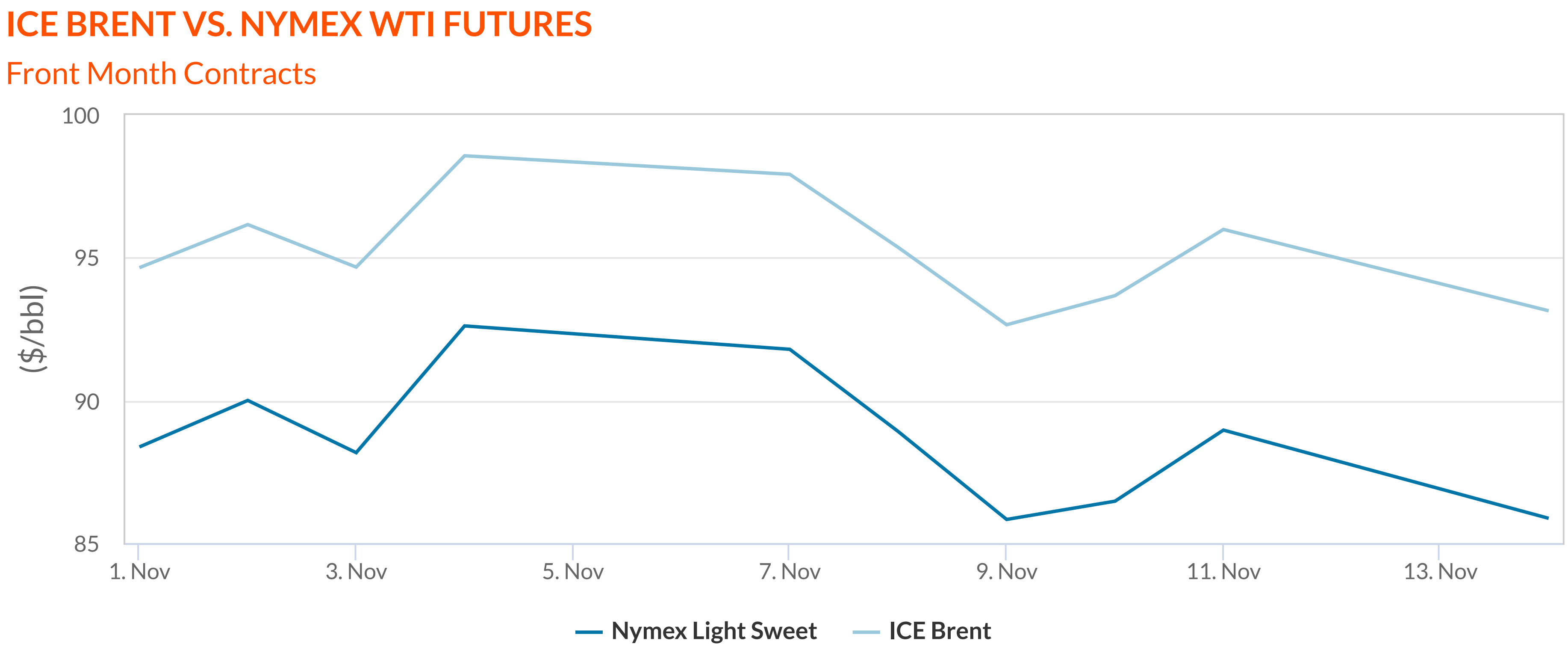
Lauren Craft, Sharm el-Sheikh, Egypt

Oil Prices Drop as Chinese Covid-19 Concerns Return

Oil futures tumbled on Monday amid hawkish fiscal rhetoric and persistent Covid-19 concerns in China.

In London, Brent crude for January delivery fell by $2.85 to settle at $93.14 per barrel. In New York, December West Texas Intermediate (WTI) on Nymex closed $3.09 lower at $85.87/bbl, while the January contract lost $3 to end the session at $85.16/bbl.

Selling was also heavy in December Nymex gasoline, which dropped by 8.17¢ to close at $2.5285 per gallon. The diesel contract dipped by 1.13¢ and settled at $3.544/gallon.



A strong US dollar helped put pressure on oil as the US Federal Reserve made it clear that it will not be reversing course on its interest rate hikes any time soon.

US Federal Reserve Governor Chris Waller, speaking at a conference over the weekend, said that interest rates would continue to increase, “and they’re going to stay high for a while until we see this inflation get down closer to our target.”

High interest rates bolster the dollar, which climbed against a basket of other currencies on Monday. Analysts say a rising greenback tends to be bearish for oil demand as it makes the dollar-denoted commodity more expensive.

Meanwhile, some market players said that last week’s euphoria over revisions to China’s Covid-19 policies was overdone.

“All that was announced last week was shortened quarantine, the end of airline 'circuit breaker' and the halt of tracing of secondary contacts,” noted Tamas Varga of brokerage PVM Oil. “At the same time, lockdowns in Covid hotspots have been extended.”

Indeed, some major Chinese cities such as Beijing are recording record caseloads. Quarantine protocols stymie oil demand both by interfering with travel and due to general economic slowdown.

Still Short

Global benchmark Brent remains in the $90-100/bbl range established early last month, with a souring macroeconomic environment and dollar strength providing headwinds while fundamentals and impending disruptions such as the EU’s embargo of seaborne Russian oil build a floor.

Oil’s forward curve remains in backwardation, with front-month barrels trading at a premium to later-dated contracts. This structure tends to signal a market short of crude and incentivizes selling now rather than building up inventory.

January Brent’s premium to its six-month counterpart dropped by $1.20 on Monday amid selling that was focused at the front of the curve, but it remains strong at $5.30.

Frans Koster, New York

IN BRIEF

CPC Terminal Back at Full Capacity

The Caspian Pipeline Consortium (CPC) said it has completed repairs that will allow crude oil loadings to resume from one of two damaged single point moorings at its marine terminal near the Russian Black Sea port of Novorossiysk.

CPC said this will allow the terminal to operate at full capacity, using two of its three single point moorings (SPMs). Work will continue to repair the third.

The terminal had been operating at limited capacity from just one of the SPMs since August when an inspection revealed cracks on plates that attach subsea hoses to buoyancy tanks.

Some 1.2 million barrels per day of mostly Kazakh crude oil was exported via the CPC marine terminal in 2021.

But the facility has been hit by a series of outages this year, prompting Kakzahstan to seek alternative routes that avoid transit through Russia.

Staff Reports

Rosneft Proposes Interim Dividend

The board of Russian state-controlled oil giant Rosneft has recommended paying an interim dividend of 20.39 rubles per share to its shareholders, which still include UK oil major BP despite its plans to exit the country.

The dividend proposal equates to 212 billion rubles ($3.46 billion) — almost half of the company's net profit of 432 billion rubles for the first half of this year.

BP still holds a 19.75% stake in Rosneft and is entitled to receive dividends, even though it announced plans to exit Russia soon after Moscow's invasion of Ukraine in February of this year.

Under a presidential decree issued earlier this year, BP cannot proceed with a sale of its stake in Rosneft, unless it is granted a waiver.

Similarly, BP would require special permission to convert its ruble dividends into hard currency and transfer them out of Russia.

Staff Reports

Argus Adjusts Urals Pricing

Oil pricing agency Argus has changed the way it assesses the price of Russia's Urals crude grade, switching to free on board (FOB) pricing at Russia's Baltic Sea ports of Primorsk or Ust-Luga and its Black Sea port of Novorossiysk.

Argus had previously priced Urals in the two regions which accounted for most sales of the grade — Northwest Europe and the Mediterranean.

However, the volume of Urals sold into those markets has declined in recent months and the trade is set to dry up completely when the EU's ban on imports of seaborne crude from Russia takes effect on Dec. 5.

To offset the loss of sales to Europe, Russia is hoping to sell more of its oil to countries such as India, China and Turkey.

Russia has often talked in the past about gaining more control over price formation for its oil, but so far at least it continues to rely on the Argus price assessment for Urals when it comes to calculating the taxes owed by oil companies.

Staff Reports

Exxon, Pertamina Study CCS Hub

Exxon Mobil and Pertamina have agreed to study the potential development of a carbon capture and storage (CCS) hub offshore Java, Indonesia.

The hub would have the potential to store up to 3 billion tons of CO2, Exxon said in a statement.

The agreement would enable key industrial sectors to decarbonize, including oil refining, chemicals, cement, and steel, the White House said separately.

The study will look at the potential for CO2 storage in saline formations in Pertamina's offshore work areas.

The US major and the state-owned Indonesian company will also prepare a commercial model for sequestration of CO2 from domestic and international sources in Pertamina's work areas.

A previous joint study launched by the two companies last year found potential storage capacity of up to 1 billion tons of CO2 in Pertamina's oil and gas fields.

That is equivalent to 16 years of Indonesia's average annual CO2 emissions.

In total, Pertamina is working on six carbon capture projects located in various offshore areas of the country.

Marc Roussot, Singapore

DATA SNAPSHOT

Oil and Gas Prices, Nov. 14, 2022

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

CRUDE OIL FUTURES

($/bbl)	Chg.	1st Mth.	2nd Mth.
ICE Brent	-2.85	93.14	91.82
Nymex Light Sweet	-3.09	85.87	85.16
DME Oman	-2.78	88.33	87.08
ICE Murban	-3.13	91.83	90.55

INTERNATIONAL SPOT CRUDES

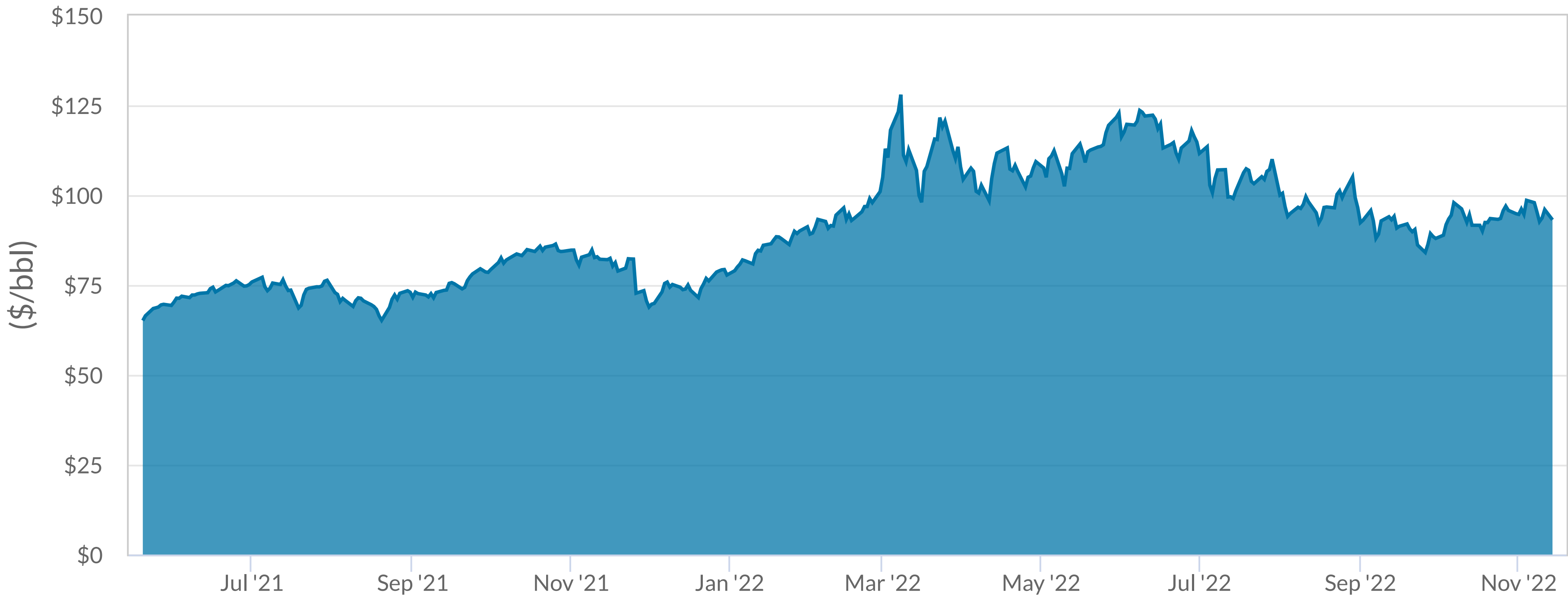
($/bbl)	Chg.	Price	Prior Close
Brent (Dated)	-2.77	93.59	96.36
Dubai	-0.05	91.00	91.05
Forties	-1.14	95.91	97.05
Bonny Light	-1.21	96.97	98.18
Urals	-1.21	76.59	77.80
Opec Basket*			94.84

*Opec price assessed.

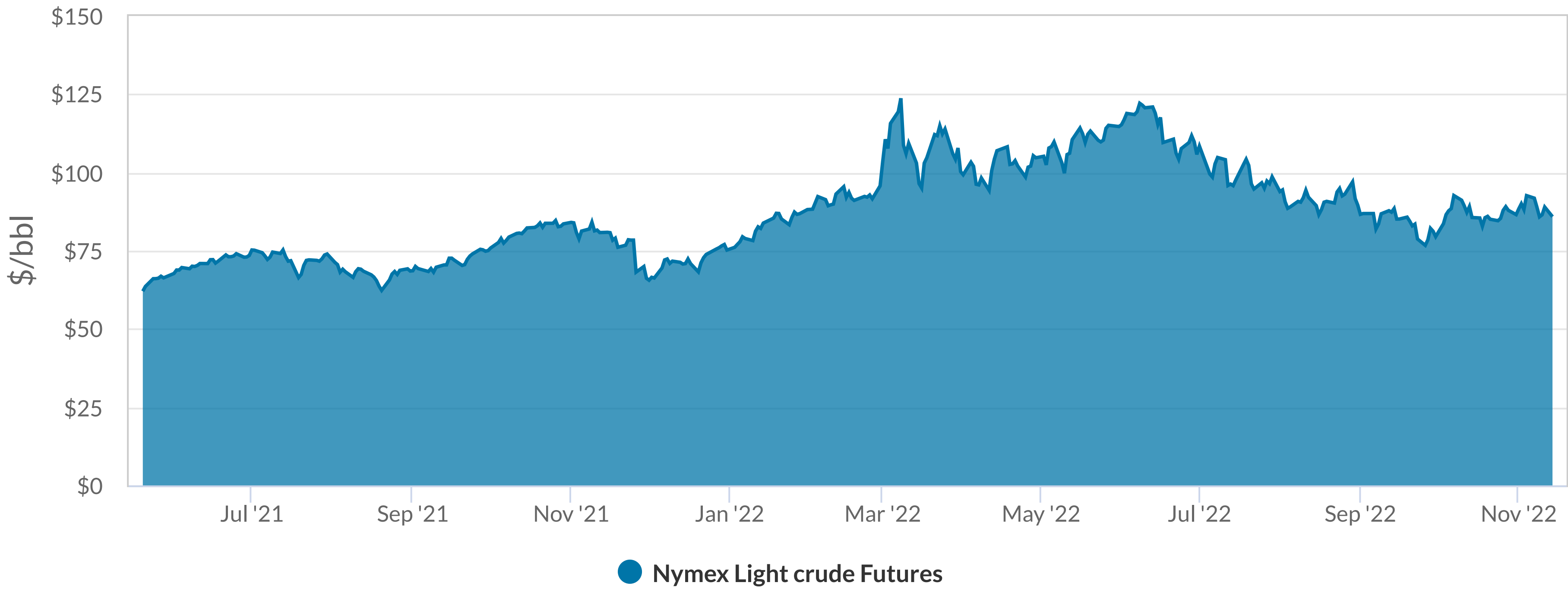
NORTH AMERICAN SPOT CRUDES

($/bbl)	Chg.	Price	Prior Close
WTI (Cushing)	-3.29	85.85	89.14
WTS (Midland)	-0.67	84.40	85.07
LLS	+0.03	89.85	89.82
Mars	+0.03	83.10	83.07
Bakken	-0.67	90.65	91.32

ICE BRENT CRUDE FUTURES



NYMEX LIGHT CRUDE FUTURES

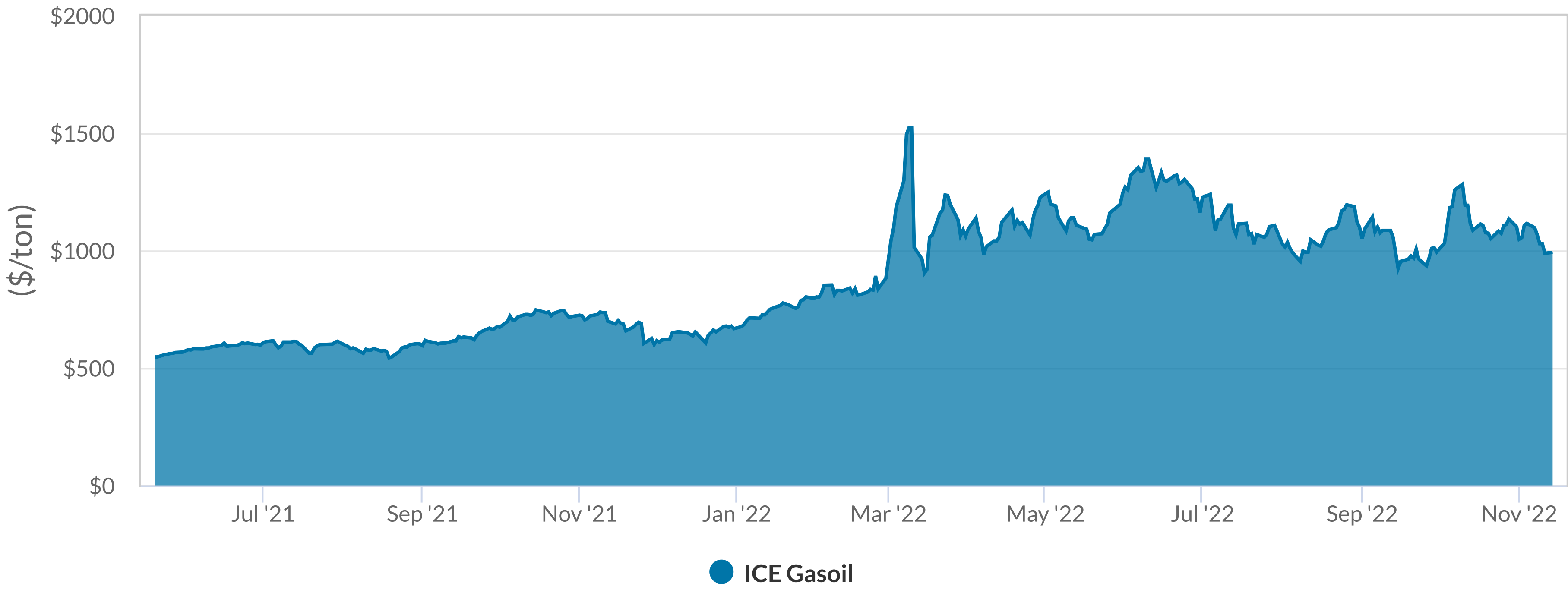


Energy Intelligence

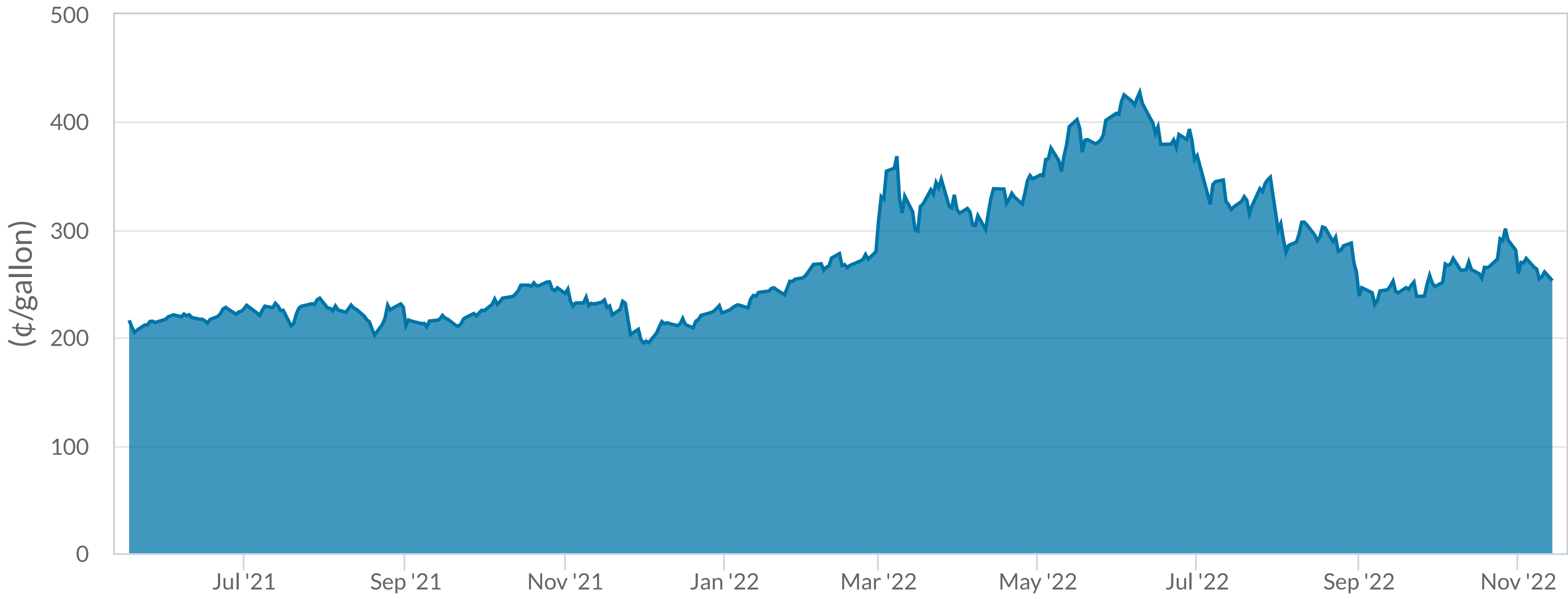
REFINED PRODUCT FUTURES

Nymex	Chg.	1st Mth.	2nd Mth.
Gasoline (¢/gal)	-8.11	252.85	247.19
ULSD Diesel (¢/gal)	-1.13	354.40	342.90
ICE			
Gasoil ($/ton)	+4.00	991.75	982.75
Gasoil (¢/gal)	+1.28	316.53	313.66

ICE GASOIL FUTURES



NYMEX GASOLINE FUTURES



US SPOT REFINED PRODUCTS

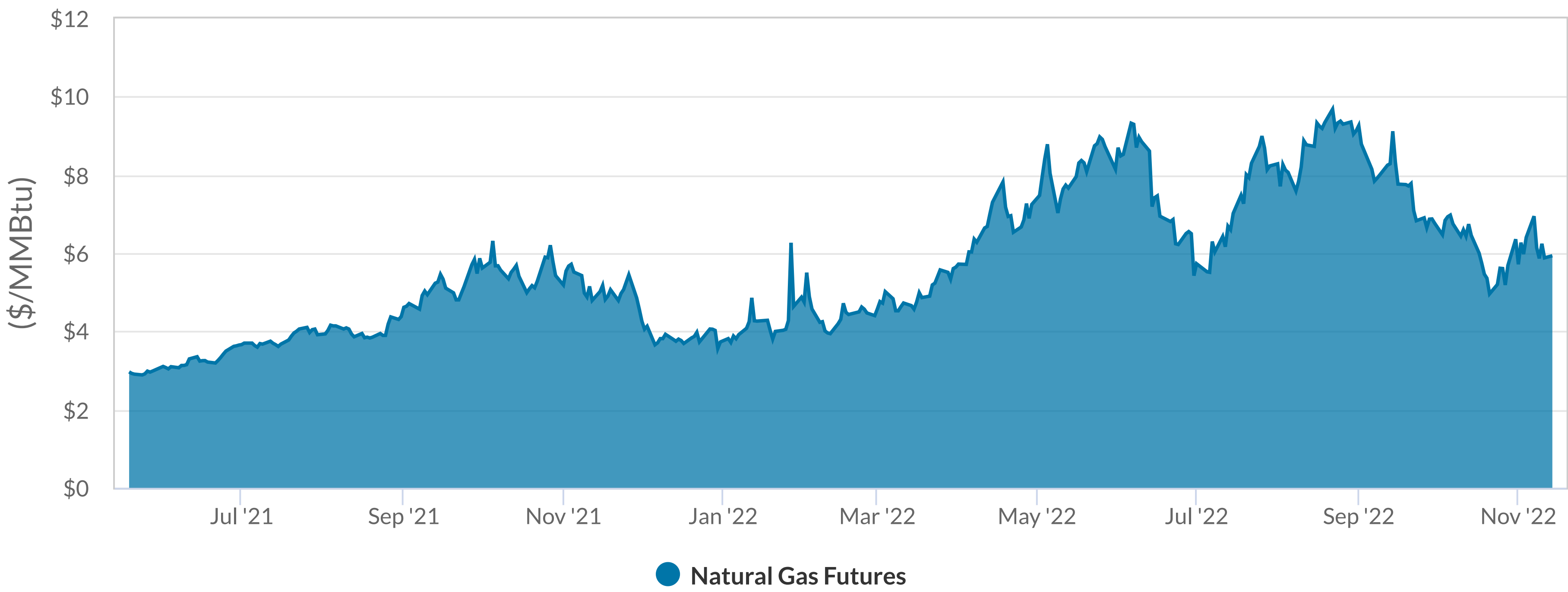
New York (¢/gal)	Chg.	Price	Prior Close
Regular Gasoline	-11.16	292.82	303.98
No.2 Heating Oil	-4.51	424.05	428.56
No.2 ULSD Diesel	-23.51	454.05	477.56
No.6 Oil 0.3% *			96.26
No.6 Oil 1% *			87.94
No.6 Oil 3% *			69.39
Gulf Coast (¢/gal)			
Regular Gasoline			252.23
No.2 ULSD Diesel	-7.51	329.80	337.31
No.6 Oil 0.7% *			86.18
No.6 Oil 1% *			86.18
No.6 Oil 3% *			66.71

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

INTERNATIONAL SPOT REFINED PRODUCTS

Rotterdam ($/ton)	Chg.	Price	Prior Close
Regular Gasoline	-13.80	884.00	897.80
ULSD Diesel	-15.75	999.25	1015.00
Singapore ($/bbl)			
Gasoil	-1.05	124.20	125.25
Jet/Kerosene	-0.16	127.60	127.76
VLSFO Fuel Oil ($/ton)	-6.98	671.33	678.31
HSFO Fuel Oil 180 ($/ton)	-2.55	437.09	439.64

NYMEX NATURAL GAS FUTURES



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NATURAL GAS PRICES

($/MMBtu)	Chg.	Price
Henry Hub, Nymex	+0.05	5.93
Henry Hub, Spot	+1.56	6.15
Transco Zone 6 - NY	+2.51	6.31
Chicago Citygate	+1.15	6.25
Rockies (Opal)	+0.61	8.52
Southern Calif. Citygate	+0.77	8.85
AECO Hub (Canada)	+0.53	4.36
Dutch TTF (euro/MWh)	+41.25	110.00
UK NBP Spot (p/th)	0.00	100.00

US/Canada spot prices from Natural Gas Week

Equity Markets, Nov. 14, 2022

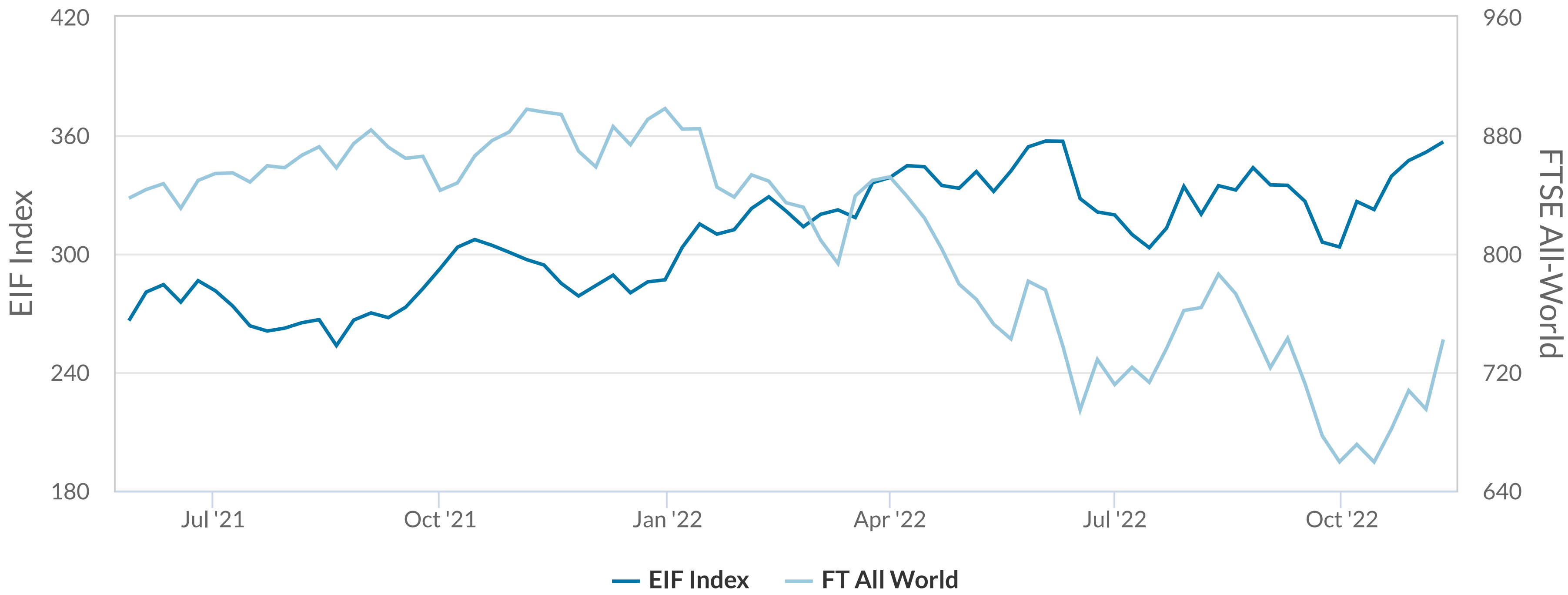
All data are produced by Energy Intelligence in cooperation with Reuters.

EQUITY MARKET INDEXES

	Chg.	Index	YTD %Chg.
EIF Global*	+7.05	356.65	+24.37
S&P 500	-35.68	3,957.25	-17.44
FTSE All-World*	+12.09	742.07	-17.66

*Index for previous day

EIF INDEX



EIF Global Oil and Gas Index of 21 traded equities