



**ONGC News as on 15 January 2025 (Print & Online)**

## Navy divers withdrawn from rescue ops in Assam coal mine, dewatering exercise underway

**GUWAHATI, JAN 14/--**/Navy divers have been withdrawn from rescue operations at a coal mine in Assam's Dima Hasao district with the hope of survival of five trapped labourers appearing to be slim even as dewatering exercise entered the ninth day on Tuesday, officials said.

Dewatering of the quarry, which is 340 feet deep, continued with specialised machines brought in by ONGC and Coal India.

The water level, which was initially at 100 ft, is coming down gradually and on Monday, it further receded by 3 metres, an official said.

It was difficult to say when the water would be "completely cleared or when the rescue and search operations inside the quarry would resume", he added.

"Navy divers, who were requisitioned for rescue operations since January 7 have been withdrawn and moved out of the site," another official said.

Nine workers were trapped inside the mine in Umrangsu on January 6 after a sudden gush of water flooded the quarry.

Four bodies have so far been recovered, the official said.

"The hope of survival of the remaining trapped miners appears to be waning as they

remain trapped for the ninth day. However, the rescue operations will continue," he said.

Dewatering is being carried out with the help of nine pumps while six more have been installed for use if required, he said.

The rescue operations were being conducted jointly by the army, Assam Rifles, NDRF, SDRF and district administration.

An underwater remote-operating vehicle was also being sent inside the quarry at regular intervals to capture images of the trapped miners, the official said.

The first body was recovered on January 8 and three others on Saturday.

The chief minister had earlier claimed that the mine was abandoned 12 years ago and was under the Assam Mineral Development Corporation till three years ago.

He said that the leader of the workers has been arrested, and the police are conducting investigations into the case.

Congress MP Gaurav Gogoi has written to Prime Minister Narendra Modi, seeking a SIT probe into the mining tragedy in Assam.

He also alleged that "illegal mining continues unchecked" due to "weak law enforcement and local complicity" in the northeastern state. (PTI)

**MINE ACCIDENT | Dewatering continues with specialised machines brought in by ONGC, CIL**

# Navy divers halt rescue operations

**Digjyoti Lahkar**  
GUWAHATI

Efforts are on on the ninth day to rescue five trapped miners from the rat-hole mine in Tin Kilo, Umrangso in Dima Hasao district of Assam, with teams from the Indian Army, National Disaster Response Force (NDRF), and State Disaster Response Force (SDRF) struggling against high water levels inside the hole. Meanwhile, officials withdrew navy divers from rescue operations.

Nine workers were trapped inside the mine in Umrangso since January 6. While four bodies have been recovered so far, chances of survival of the five trapped labourers appear to be slim now.

Dewatering of the quarry, which is 340 feet deep, continued with specialised machines brought in by

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ONGC and Coal India.

The water level, which was initially at 100 ft, is coming down gradually and it further receded by 3 metres, an official said.

The operation, which fished out three dead bodies on January 11, has seen continued dewatering efforts, but high-powered pumps have so far failed to significantly reduce the water levels.

On Tuesday, Chief Minister Himanta Biswa Sarma informed that despite 48

hours of continuous pumping, the water level doesn't drop below one metre, which is hindering the progress of the rescue operation.

Addressing the challenge in a press briefing in Rani, Guwahati on Tuesday, the Chief Minister indicated that the nearby Kapili River might be complicating the dewatering process. "We suspect a possible connection between the river and the mine, which could be obstructing the water drainage. It will take another three to four days for a comprehensive report to be prepared," Sarma stated.

To assist with the investigation, the Geological Survey of India (GSI) began studying the site on Tuesday to determine if there is a deep underground connection between the river and the mine. "The GSI is expected to return with their findings soon," Sarma added.

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Date : 15 January 2025	Page : 4

# India-Russia term deal talks for crude oil on hold amid sanctions

Refiners looking to strike arrangements with suppliers in next two months

SUBHAYAN CHAKRABORTY  
New Delhi, 14 January

Discussions on a term deal for crude oil purchases from Russia have ground to a halt in the wake of the latest sanctions on Russia, sources in the Ministry of Petroleum said.

A joint front of state-owned refiners had been discussing the purchase of crude oil from Russia under a term deal. Crude oil from Russia is usually purchased at spot prices, while long-term contracts are reserved for crude from India's traditional import sources in West Asia. Spot purchases allow refineries to secure different grades of oil that may otherwise be unavailable.

However, last week's sanctions on Russian oil and gas entities by the United States have put the talks on hold. Official sources have said the government is preoccupied with analysing the sanctions, which may cut off India's access to discounted Russian crude and force it to buy at market prices. "Any deal in the current geopolitical climate requires careful planning and lengthy discussions so that shipments do not suddenly stop due to sanctions. But the escalating sanctions have complicated the matter," an official source said.

The government does not expect an immediate disruption in supplies, as volumes already in transit would take six-eight weeks to reach India. That would allow sufficient time for the geopolitical situation to evolve, as US President-elect Donald Trump is set to assume office on January 20, another source said. "This will give our refiners enough time to strike alternative arrangements, with Russia or otherwise. That may change the need for a term deal," he said.

A term deal would reduce volatility in Russian

crude prices and could allow India consistent access to Russian oil at lower prices. India remains prepared to continue purchasing oil from Russian companies permitted to make such sales, as prices are favourable. Petroleum and Natural Gas Minister Hardeep Singh Puri has repeatedly emphasised this point.

## Rosneft deal also in limbo?

Talks on the term deal had gained momentum after Russian state oil firm Rosneft signed a record deal last month to supply crude oil to Reliance Industries (RIL). Pegged at nearly 500,000 barrels per day (bpd), the deal is reportedly the largest energy agreement ever between the two countries. The 10-year agreement, amounting to 0.5 per cent of global supply, is worth roughly \$13 billion annually at current prices.

However, sources said the deal was now under a cloud of uncertainty after Rosneft, the marine transportation arm of Rosneft, was hit with sanctions in the latest round of economic measures by Washington, DC. Up to 13 marine vessels owned by the company, including eight Russian-flagged crude oil tankers, have been sanctioned.

As the second-largest Russian firm by market capitalisation and one of the country's highest earners, Rosneft has in recent years sought to increase its presence in the Indian market, officials said.

## Indian refiners see Moscow finding way around curbs

### State-owned oil refiners in India believe the impact from the latest US sanctions may be temporary as Moscow finds workarounds, and the new Trump administration takes a softer line against the Opec+ member.

Processors are hopeful that the new US government may help to blunt the impact of the far-reaching curbs announced last week, if incoming officials take a conciliatory approach toward Russia, according to sources. At the same time, companies are seeking more optional volumes from Saudi Arabia and Iraq under term contracts to guard against shortfalls, they said, declining to be identified as matters are confidential.

Indian refiners are confident that losing access to cheap Russian crude would be only temporary given that Moscow would be under tremendous pressure to find a way to restore flows if China and Türkiye remained its only other major buyers, said the people.

BLOOMBERG



ENERGY

## Europe faces Russian natural gas supply cuts

**UKRAINE'S PRIME** Minister Denys Shmyhal said on December 16, 2024, that its gas transit agreement with Russia will expire on January 1, 2025, and will not be renewed. The agreement was to allow transit of natural gas to Europe amid the Russia-Ukraine conflict.

The announcement comes amid declarations from European leaders pledging to lower energy dependency on Russia. EU's energy chief Dan Jørgensen said in a media interview in mid-December that the bloc



will cut all energy ties with Russia by 2027.

However, countries such as Austria, Slovakia and Moldova, which are highly dependent on Russia for energy, fear the disruption of

future supply. Moldova on December 16 imposed a 60-day emergency in the energy sector over fears of natural gas supply cuts. Slovakia has rejected the EU's stance on moving away

from Russian piped gas supply, saying it would result in high energy prices. The country has declared that it will block any sanctions on Russia related to nuclear energy. Nuclear programmes in Slovakia are developed by Russia.

Energy firms in Slovakia, Hungary, Austria and Italy also wrote to the EU chief on December 17 for renewal of the transit agreement, to save their countries from blackouts and high energy prices in the winter months.

## Nearly 15% of Indian imports of Russian crude expected to be hit US sanctions: No threat to oil supply, but costs may rise

ARUNIMA BHARADWAJ  
New Delhi, January 14

**THE LATEST US** sanctions on Russia do not only pose a threat to India's crude oil supply but may result in higher cost of the landed crude oil for Indian refiners as they diversify their crude sourcing, likely at a premium to the landed price of Russian crude, analysts and industry experts say. As much as 14% of India's import of Russian crude is likely to be affected owing to the new sanctions. Additionally, analysts believe that tightening fleet capacity is also likely to increase freight costs.

"A reduction of crude volume from Russia would mean the need for replacement barrels from other regions, including West Asia, Africa and the US. The replacement is not going to be cheap though for Indian refiners," Pulkit Agarwal, head of India content (cross commodities) at S&P Global Commodity Insights said. He noted that a replacement of crude supplies from any other region would come at a premium to the landed price of Russian crude, thus making it expensive for the country's refiners.

"Platts-assessed price of Urals crude DAP (delivered at place) west coast India is at a discount of more than \$3 per barrel to Dated Brent, but a replacement crude from any of the region, depending on its grade and origin, would come at quite a premium to the landed price of Russian crude arriving into India," he said.

The US on Friday imposed sanctions on Russian oil producers

### COUNT THE COST



■ In December, India imported around 620,000 barrels per day of crude oil carried on tankers listed on the latest US sanctions

■ Since the start of the Ukraine war, Russia has emerged as the top supplier of crude oil to India on the back of healthy discounts

Gazprom Neft and Surgutneftegaz, along with 183 vessels that have shipped Russian oil, in order to curb Russia's revenue used to fund its war with Ukraine. Post the move, India is expected to seek alternative supplies of crude oil, diverting its focus towards West Asia, the US, and Africa.

Xavier Tang, market analyst at Vortexa, highlighted that the latest shipping sanctions mark the largest round of individual vessel-designations related to Russian trade. "Individual vessel sanctions by the US have been very effective in limiting further employment in Russian trade. Because of this track-record of effectiveness and the huge amount of tonnage named, we think these

may have a big impact," he said.

"What is most likely is that Russian crude exports will face serious logistical difficulty due to the lack of available tonnage, which will force the price of Russian crude below the price cap. At this point, Western operators would be able to get involved to lift Russian crude. We have previously observed a very low-entry barrier for this to happen. In recent instances, Western operators immediately returned to lifting when Urals briefly dipped under the price cap," Tang said. Given that global VLCC (very large crude carrier) freight rates spiked over the past few days, oil sourcing from other countries would further increase freight costs for Indian refiners, analysts say.

In December, India imported around 620,000 barrels per day of crude carried on tankers listed on the latest US sanctions, representing between 13-14% of imports, as per Vortexa. While Indian refiners may be forced to seek alternative sources for crude oil supplies, the industry is optimistic of Russia working its way around the latest US sanctions and finding a way to get its oil into the market. A senior government official on Monday said India did not expect any disruption to Russian oil supply in the next two months given that US-sanctioned tankers are allowed to discharge crude until March.

Global crude prices that reached their highest level since August at \$81 per barrel on Monday have come down and were hovering at \$80 per barrel on Tuesday.

## Set up biofuel briquetting plants at all Hry cooperative sugar mills, CM tells officials

### MPOST BUREAU

**CHANDIGARH:** Haryana Chief Minister Nayab Singh Saini directed officials to set up biofuel briquetting plants at all cooperative sugar mills of the state so that the financial condition of the mills can be improved.

Saini gave the directions while presiding over a review meeting of the Naraingarh Sugar Mill here on Tuesday.

The Chief Minister said that the work of setting up a biofuel

briquetting plant had been started in the Kaithal Cooperative Sugar Mill as a pilot project, in which bagasse briquettes are being made and sold to thermal power plants and other consumers of Haryana. This has also improved the financial condition of the sugar mill considerably.

He directed the officials to set up such plants in other cooperative sugar mills of the state on the same lines. He directed that every possible effort should be made to bring the cooperative sugar

mills out of losses. Meanwhile, Saini expressed happiness over the steps being taken by the government in the interest of cooperative sugar mills and farmers in the state and the continuous improvement in the efficiency of cooperative sugar mills.

The Chief Minister was informed in the meeting that in the current crushing season 2024-25, till January 13, all the cooperative sugar mills associated with Sugarfed have crushed a total of 113.56 lakh quintals of sugarcane

and produced 9.18 lakh quintals of sugar with an average sugar recovery of 8.70 per cent.

In the last crushing season 2023-24, Rohtak, Sonapat, Jind, Palwal, Meham, Kaithal and Gohana cooperative sugar mills saved about 7.14 lakh quintals of bagasse and earned additional revenue of Rs 1,630.31 lakh. During the meeting, Sugarfed Chairman Dharambir Singh Dagar gave suggestions to improve the financial condition of the sugar mills.

Publication : Morning India	Editions : Kolkata
Date :15 January 2025	Page : 6

## India Energy Week 2025 to Redefine Global Energy Dialogue

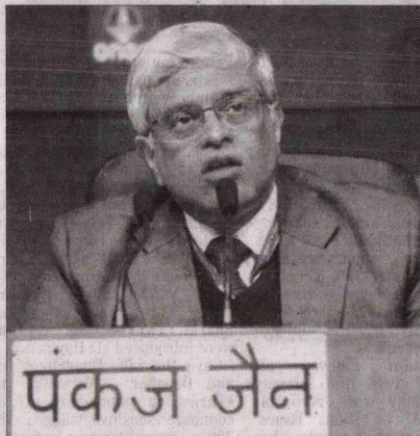
New Delhi : Building the remarkable success of its previous two editions, India Energy Week 2025 (IEW'25), the flagship energy event of Government of India, is being held under the patronage of the Ministry of Petroleum and Natural Gas, organised by Federation of Indian Petroleum Industry (FIPPI), from 11th to 14th February 2025 at the Yashobhoomi Convention Centre, New Delhi.

The first major global event of the energy calendar, IEW 2025, is poised to be the most comprehensive and inclusive global energy gathering of the year.

Since its inception in 2023, the India Energy Week has grown from strength to strength. IEW 2025 has surpassed other international energy events. This year's edition marks a significant leap over its predecessor, showcasing elevated leadership participation and more dynamic discussions.

A noticeable improvement is in the seniority of speakers year on year with around 70 CEOs of prominent International and domestic Energy majors underlying the growing global appeal of the event. IEW will be bigger than ever with unparalleled global participation, including 20+ Foreign Energy Ministers and Deputy Ministers representing advanced economies, largest energy producers, and key nations of global south. The event will also feature Heads of leading International Organizations and 90 CEOs from some of the world's largest Fortune 500 energy companies including bp, TotalEnergies, QatarEnergy, ADNOC, Baker Hughes and Vitol.

IEW 2025 Incorporates seven key strategic themes (Collaboration, Resilience, Transition, Capacity, Digital Frontiers, Innovation, Leadership) with greater emphasis on pragmatic solutions for decarbonization, energy equity, and low-carbon economies. The inclusion of 20 thematic



categories this year, compared to 18 in 2024, highlights a broader focus on cutting-edge issues such as AI, digitalization, and maritime decarbonization. The conference's structured stages-Resilience and Transition-align perfectly with India's dual goals of energy independence and decarbonization, ensuring relevance to global and national agendas alike. The event is expected to have participation from over 70,000 delegates from 120 countries,

700+ exhibitors, and 10 country pavilions United States, United Kingdom, Germany, Italy, Japan, Russia etc. and 8 thematic zones, this flagship event will provide a premier platform to drive the global energy dialogue, showcase breakthrough technologies, and foster international collaboration for a sustainable energy future.

In IEW2025 we have seen a 29% increase in abstract received and a 24% increase in speaker participation, emphasizing IEW's stature as a platform for industry innovation. Sessions now cover vital topics like future clean power pathways, grid-scale energy storage, and methane mitigation technologies, reflecting the industry's forward-looking priorities.

The event will witness robust participation from key Indian energy ministries, including the Ministry of Power, Ministry of New and Renewable Energy (MNRE), NITI Aayog, and the Ministry of Mines and Minerals. This reflects a whole-of-government approach, ensuring seamless collaboration and comprehensive engagement across the entire energy sector, underscoring India's commitment to integrated and inclusive energy solutions.

The event will place a special emphasis on showcasing India's transformative efforts across the entire energy landscape including strengthening energy security and promoting energy justice, amplifying the voice of the Global South, and unveiling the immense investment opportunities within India's hydrocarbon sector. It will also spotlight India's advancements in renewable energy and cutting-edge technologies such as battery storage, 2G and 3G biofuels, green ammonia, and hydrogen production, positioning the nation as a global leader in sustainable and innovative energy solutions.



**Online**

Headline	BHEL and ONGC sign MoU for renewable energy projects		
Publication	Power Peak Digest	Edition	Online Coverage
Published Date	14 Jan 2025		

## **BHEL and ONGC sign MoU for renewable energy projects**

<https://powerpeakdigest.com/bhel-and-ongc-sign-mou-for-renewable-energy-projects/>

Bharat Heavy Electricals (BHEL) and Oil & Natural Gas Corporation (ONGC) have signed a memorandum of understanding (MoU) to collaborate on projects in the new and renewable energy sector.

The partnership will focus on advanced technologies such as fuel cells, electrolysers, and battery energy storage systems, supporting India's National Green Hydrogen Mission.

The collaboration aims to leverage the expertise of both entities to drive innovations in the clean energy ecosystem.

The MoU signing ceremony was attended by senior officials from both companies, including Bani Varma from BHEL and Arunangshu Sarkar from ONGC.

Headline	Cyber fraudsters pose as ONGC officials to swindle Rs 14.9 lakh from retired employee in Punjab		
Publication	The Times of India	Edition	Online Coverage
Published Date	14 Jan 2025		

## Cyber fraudsters pose as ONGC officials to swindle Rs 14.9 lakh from retired employee in Punjab

<https://timesofindia.indiatimes.com/city/ludhiana/cyber-fraudsters-pose-as-ongc-officials-to-swindle-rs-14-9-lakh-from-retired-employeeinpunjab/articleshow/117235425.cms>

Cyber fraudsters transferred Rs 14.9 lakh from a retired ONGC employee's bank account. They posed as the head of the retired employee cell, made him fill out an online form, and submit his bank details.

The victim reported the incident to the bank, but the money was already withdrawn. Police have registered a complaint and are investigating the case.

LUDHIANA: A 69-year-old retired employee of ONGC Rajendra Singh , became the target of cyber fraud when scammers transferred Rs 14.9 lakh from his bank account.

The fraudster posed as the head of the retired employee cell at ONGC and manipulated the victim into filling out an online form for a smart health card. Following this, the fraudster managed to withdraw the money from Singh's account.

On January 7, Rajendra Singh received a phone call at 11.24 am, which got disconnected. Shortly after, he received a WhatsApp call from an unknown number, where the caller introduced himself as Kuldeep Srivastava , a representative from the ONGC retired employee cell in Dehradun.

The scammer informed Singh about a new smart health card for retired employees and asked him to fill out an online form and pay Rs 10 for the card. Singh filled out the form and made the payment via his joint bank account with his wife.

However, after submitting the form, Singh became suspicious and rushed to his bank to inform them of the incident. The bank officials advised him to create a Fixed Deposit Receipt ( FDR ) for the amount in his account. Singh had Rs 19.5 lakh in the joint account, and he followed the bank's suggestion. He was assured that his money would be safe. The next day, Singh received an alert notifying him of a withdrawal of Rs 14.93 lakh from his account.

Upon visiting the bank, he was informed that the fraudster had transferred the money. The fraudster also attempted to transfer Rs 4.95 lakh, but the bank blocked that transaction.

Inspector Jatinder Singh , SHO of the Cyber Crime police station, stated that a case has been filed against the unidentified fraudster under sections 319 (2) (punishment for cheating by personation) and 318 (4) (cheating) of BNS. The police are investigating the details of the bank accounts to which the money was transferred.

Headline	BPCL and HDMC to launch compressed biogas facility for sustainable waste management		
Publication	The Times of India	Edition	Online Coverage
Published Date	14 Jan 2025		

## BPCL and HDMC to launch compressed biogas facility for sustainable waste management

<https://timesofindia.indiatimes.com/city/hubballi/bpcl-and-hdmc-to-launch-compressed-biogas-facility-for-sustainable-waste-management/articleshow/117243791.cms>

Hubballi: The Hubballi-Dharwad Municipal Corporation ( HDMC ) devised a sustainable solution for wet waste management in the twin cities by collaborating with BPCL to establish a compressed biogas production facility.

The proposed Compressed Bio Gas (CBG) plant will primarily process wet waste, excluding green leaves and tree branches, to produce renewable energy. This project aligns with the govt's Sustainable Alternative Towards Affordable Transportation (SATAT) scheme.

### Videos

The plant, requiring an investment of Rs 68 crore, will be situated on a 10-acre plot in Sivalli village. BPCL's request for a 25-year free lease arrangement demonstrates their long-term commitment to the project. The facility is designed to process 144 tonnes of wet waste daily, with an expected output of five tonnes of compressed biogas.

This collaboration presents multiple advantages for the municipal corporation. Firstly, it eliminates the financial burden on HDMC as BPCL will manage the entire operation. Secondly, it enables HDMC to streamline its waste management efforts, particularly in promoting waste segregation awareness among residents.

The project also offers logistical benefits, as existing large-capacity trucks can efficiently transport waste to the processing facility. This setup reduces operational costs while ensuring regular waste collection and disposal.

The initiative represents a sustainable approach to waste management, converting organic waste into valuable energy resources. It addresses both environmental concerns and energy needs while promoting cleaner fuel alternatives in the region. The project's success could serve as a model for other municipalities seeking effective waste management solutions.

According to HDMC SWM executive engineer Mallikarjun BM, the corporation will face no financial burden. He stated, "When wet waste (except green leaves and tree branches) is given to BPCL plants, we can focus more on creating awareness about segregation and other aspects," and also noted that transportation expenses would be reduced due to the availability of large trucks.

Following the general body's approval for land allocation, a comprehensive project report will be prepared for submission to the department of municipal administration (DMA). The DMA will review the documentation before forwarding it to the govt authorities. Upon receiving governmental clearance, the implementation of the plan will commence, he further stated.

Headline	India-Russia term deal talks for crude oil on hold amid US restrictions		
Publication	Business Standard	Edition	Online Coverage
Published Date	14 Jan 2025		

## India-Russia term deal talks for crude oil on hold amid US restrictions

[https://www.business-standard.com/economy/news/india-russia-term-deal-talks-for-crude-oil-on-hold-amid-us-restrictions-125011400998\\_1.html](https://www.business-standard.com/economy/news/india-russia-term-deal-talks-for-crude-oil-on-hold-amid-us-restrictions-125011400998_1.html)

Discussions on a term deal for crude oil purchases from Russia have ground to a halt in the wake of the latest sanctions on Russia, sources in the Ministry of Petroleum said.

A joint front of state-owned refiners had been discussing the purchase of crude oil from Russia under a term deal. Crude oil from Russia is usually purchased at spot prices, while long-term contracts are reserved for crude from India's traditional import sources in West Asia. Spot purchases allow refineries to secure different grades of oil that may otherwise be unavailable.

However, last week's sanctions on Russian oil and gas entities by the United States have put the talks on hold. Official sources have said the government is preoccupied with analysing the sanctions, which may cut off India's access to discounted Russian crude and force it to buy at market prices. Any deal in the current geopolitical climate requires careful planning and lengthy discussions so that shipments do not suddenly stop due to sanctions. But the escalating sanctions have complicated the matter, an official source said. The government does not expect an immediate disruption in supplies, as volumes already in transit would take six-eight weeks to reach India. That would allow sufficient time for the geopolitical situation to evolve, as US President-elect Donald Trump is set to assume office on January 20, another source said. This will give our refiners enough time to strike alternative arrangements, with Russia or otherwise. That may change the need for a term deal, he said.

A term deal would reduce volatility in Russian crude prices and could allow India consistent access to Russian oil at lower prices. India remains prepared to continue purchasing oil from Russian companies permitted to make such sales, as prices are favourable. Petroleum and Natural Gas Minister Hardeep Singh Puri has repeatedly emphasised this point.

Rosneft deal also in limbo?

Talks on the term deal had gained momentum after Russian state oil firm Rosneft signed a record deal last month to supply crude oil to Reliance Industries (RIL). Pegged at nearly 500,000 barrels per day (bpd), the deal is reportedly the largest energy agreement ever between the two countries. The 10-year agreement, amounting to 0.5 per cent of global supply, is worth roughly \$13 billion annually at current prices.

However, sources said the deal was now under a cloud of uncertainty after Rosneftflot, the marine transportation arm of Rosneft, was hit with sanctions in the latest round of economic measures by Washington, DC. Up to 13 marine vessels owned by the company, including eight Russian-flagged crude oil tankers, have been sanctioned.

As the second-largest Russian company by market capitalisation and one of the country's highest earners, Rosneft has in recent years sought to increase its presence in the Indian market, officials said. In early December, Russian President Vladimir Putin had said Rosneft had invested \$20 billion in India, though he did not elaborate further. Energy ties are expected to be a priority during Putin's upcoming visit to India, scheduled for early December, according to the Kremlin.

Headline	China Likely to Overcome New Russian Sanctions		
Publication	Energy Intelligence	Edition	Online Coverage
Published Date	14 Jan 2025		

## China Likely to Overcome New Russian Sanctions

<https://www.energyintel.com/00000194-648a-d57f-a1fe-6cbb01db0000>

Latest US sanctions have dealt a significant near-term blow to Chinese efforts to buy Russian crude, especially to refiners already reeling from December sanctions on tankers that moved Iranian crude.

But the recently announced Russian sanctions are likely to be more of a challenging speed bump for Chinese refiners than systemic obstacle, Chinese and other market sources said, with the market expected to find work-arounds — potentially relatively soon — that will allow imports of Russian crude to resume.

The Trump administration, due to take power on Jan. 20, could also potentially decide not to enforce these new sanctions, further easing the flow of Russian crude, market sources added.

What is undeniable is that the short-term hit to Chinese buying of Russian crude is considerable.

The new sanctions hit 117 crude tankers that shipped over 530 million barrels of Russian crude last year, including around 300 million bbl that were delivered to China, according to market intelligence company Kpler. Of this tanker fleet, 102 vessels had delivered Russian crude to China and India at least once in 2024, Kpler added.

These “tough sanctions” are going to push Chinese refiners away from Russian crude, at least in the short term, said sources at two Chinese refiners that take Russian crude.

In addition, the US also sanctioned Russia’s Ingosstrakh Insurance, which used to insure most tankers delivering crude to China, said a trader who used to trade sanctioned Russian crude.

The sanctions on Gazprom Neft and Surgutneftegas also raise the risks for middlemen who typically buy crude from the Russian producers and then market it on a delivered basis into Chinese ports.

There are “too many obstacles” right now, said a source at a third Chinese refiner that buys Russian crude.

Despite the current challenges, Chinese refiners are likely to resume buying Russian crude once work-arounds are found, said a source at a Chinese refiner that buys Russian crude and the trader who used to trade Russian crude.

The issues for China are “easily solved, unlike India, which has a bigger problem,” said the refiner source.

Russian barrels take up a bigger share of India’s imports relative to China’s, while sanctions are also expected to hit new term contracts.

Russian crude shipments will resume once nonsanctioned tankers are found to deliver them to Chinese ports, the trader added.

In fact, a Chinese major has already confirmed they will not reduce buying of Russian crude so long as cargoes are delivered on unsanctioned tankers, said the China-focused analyst.

Chinese refiners buy Russian crude on a delivered basis, meaning they are not responsible for shipping or insurance for the cargo while it's in transit. Because of this, the refiners leave no fingerprints on most parts of Russian crude trade hit by the new sanctions — tankers, Russian insurance and the two major Russian producers.

One key question the market is struggling with now is whether there are enough tankers on the market to take over deliveries from newly sanctioned tankers, said a source at a Chinese refiner that buys Russian crude.

The trader who used to trade Russian crude is optimistic, saying it might take just a “short time” for the market to find replacement tankers, potentially within weeks in a best-case scenario.

The drawback, however, is that it “might be super expensive for Russia” to charter replacement tankers, the trader added. But he noted that Russian producers would likely prefer to keep delivering cargoes rather than shut in production.

“I would imagine Russia to offer high freight rates to attract nonsanctioned tankers — maybe from Greek or Chinese shipowners — to ship Espo, either running the entire route (Kozmino-China) or using [ship-to-ship transfer]”, Kpler senior oil analyst and China expert Muyu Xu told Energy Intelligence.

“But we still need to see what's the attitude of Chinese ports. It seems they are still waiting for clarity,” she added.

Tankers could also be reflagged or change their documentation to evade sanctions, said another trader.

#### Middlemen Will Run the Risk

Chinese refiners generally don't buy directly from the now-sanctioned Russian oil firms Gazprom Neft and Surgutneftegas, instead taking volumes from middlemen who resell cargoes.

These middlemen are likely to be willing to take the risk of being hit by sanctions themselves to continue buying from the two Russian producers, said sources at three Chinese refiners that buy Russian crude.

There are many ways for them to evade sanctions, one refiner source added. But even if these players get hit by future sanctions, they could always just shut down and start up a new entity to resume trading, said the three Chinese refiner sources.

As long as prices are attractive and the middlemen can arrange unsanctioned shipping, Chinese refiners are not going to say no to Russian crude, said two market sources.

Some market sources also said they expect the sanctions outlook to change once US President-elect Donald Trump returns to power in less than a week — but analysts are skeptical in general of any about-face.

“We think it is unlikely that Donald Trump will repeal these sanctions as his first policy decision, opting instead to use them as leverage in potential peace negotiations between Russia and Ukraine,” UBS analysts said in a note.

On the Chinese side, the sanctions create a dilemma: Over the past ten years, Russia has become China’s closest geopolitical ally and its single-largest supplier of oil and gas. Abiding by the sanctions risks angering Moscow and increasing costs for Chinese refiners, while trying to circumvent them risks giving Trump a further incentive to increase import tariffs on Chinese products coming to the US.

On the other hand, taking less Russian crude and LNG and more US supplies could be a way to use energy trade to smooth the US-China relationship.

China imported close to 2 million b/d of Russian oil last year — including some 800,000 b/d through pipeline — as well as 38 billion cubic meters of gas through the Power of Siberia gas pipeline and more than 7 million tons of LNG. In comparison, it imported about 200,000 b/d of US crude and 4 million tons of LNG, preliminary data show, giving it ample room to increase US supplies.

Still, the China-Russia energy relationship goes deeper than that. “Russia is a crucial player in China’s energy security strategy,” said a December report from the Council of Foreign Relations, a US think tank.

“A steady flow of gas and oil from Siberia offers an alternate source of energy for China, and greater security in case supplies from the Middle East traveling via the Indian and Pacific maritime routes are cut off in a conflict with the United States,” the report said.

Separately, two state-run Indian refiners have confirmed that Feb. 27 is their understanding of the cut-off date for winding down transactions relating to Russia’s energy sector, after senior Indian government officials on Monday had indicated a date of Mar. 12.

According to US Treasury documents, Mar. 12 is the deadline for winding down some energy-related transactions involving some of Russia’s biggest financial institutions. The grace period for ending transactions related to the delivery and offloading of cargoes from blocked entities — and for transactions with Gazprom Neft and Surgutneftegas — is Feb. 27.