



# ***ARGUS RUSSIAN CRUDE EXPORTS***

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***LAST UPDATED: APRIL 2012***

The most up-to-date Argus Russian Crude Exports methodology is available on [www.argusmedia.com](http://www.argusmedia.com)

## Introduction

Argus has a range of crude oil market reports in the Russian language as well as reports in English. Argus Russian Crude Exports report is available every Monday (except for public holidays) in Russian language. The report covers prices for crude oil in the former Soviet Union countries, the international market and at the key production provinces of Russia. Argus publishes prices that report and reflect prevailing levels for open-market arm's length transactions (please see the Argus Global Compliance Policy for a detailed definition of arm's length). Argus Russian Crude Exports also provides extensive market commentary, exclusive news, detailed analysis and statistical data.

## Price assessments

### International Price Assessments

- North Sea Dated
- WTI
- Mars
- Dubai
- Oman
- Urals cif Northwest Europe
- Urals cif Mediterranean
- Urals fob Primorsk (current and retrospective)
- Urals fob Ust-Luga (current and retrospective)
- Urals fob Novorossiysk (current and retrospective)
- Siberian Light cif Mediterranean
- CPC Blend cif Mediterranean
- CPC Blend fob Yuzhnaya Ozereyevka (current and retrospective)
- ESPO Blend fob Kozmino
- Sokol cif Northeast Asia
- Vityaz cif Yosu
- Urals fit Adamowa Zastawa (delivered to Germany)

- Urals fit Adamowa Zastawa (delivered to Poland)
- Urals fit Budkovce (delivered to Czech Republic)
- Urals fit Budkovce (delivered to Slovakia)
- Urals fit Feneshlitke (delivered to Hungary)

The international prices are taken from Argus Crude. For a detailed explanation of the methodology behind the international crude assessments see the [Argus Crude Methodology](#).

### CIS Price Indices

Argus calculates daily price indices for Russian crude delivered to refineries in Ukraine, Belarus and Kazakhstan based on formulas used in key contracts. These formulas are linked to Urals price assessments at international markets in Northwest Europe and Mediterranean. Price assessments are given in US dollars per tonne and per barrel with differentials to the current Dated price calculated from the absolute numbers of price assessments. Prices are for Urals supplied by pipelines with minimum shipment of 10,000t.

### Ukraine

The index Urals daf Ukraine is calculated at daf Russian-Ukrainian border (Golovashévka/Velikotsk) from the ddu refinery prices at Lisichansk and Odessa by subtracting the transportation costs. Tariffs are nominated in Ukrainian hryvnia and converted into US dollars using daily market rate. Prices for Kazakh crude supplies, carried out through Russian pipelines, might differ due to the exemption of export duty.

### Belarus

Prices for Russian crude supplied to Belarus are assessed retrospectively for the previous month. The assessments are based on pricing formulas used by buyers and sellers. Monthly price differential for Russian crude sales to Belarus is added to an average North Sea Dated price for the month of supply. Assessments are basis ddu Mozyr and ddu Novopolotsk.

North Sea, Russian and Caspian crudes						
Grade	Typical °API	Typical sulphur, pc	Conversion factor, t/bl	Basis/location	Timing	Cargo size, '000t
Urals Northwest Europe	31.35	1.37	7.2392	cif Rotterdam	Loading 10-25 days ahead	100
Urals Primorsk	31.35	1.37	7.2392	fob Primorsk		100
Urals Ust-Luga	31.16	1.52	7.2307	fob Ust-Luga		100
Urals Mediterranean (80,000t)	31.37	1.33	7.2401	cif Augusta, Italy	Loading 10-25 days ahead	80
Urals Novorossiysk (80,000t)	31.37	1.33	7.2401	fob Novorossiysk, Black Sea		80
Urals Mediterranean (135,000t)	31.37	1.33	7.2401	cif Augusta, Italy	Loading 10-25 days ahead	135
Urals Novorossiysk (135,000t)	31.37	1.33	7.2401	fob Novorossiysk, Black Sea		135
Siberian Light	35.06	0.48	7.4041	cif Augusta, Italy	Loading 10-25 days ahead	75
CPC Blend Mediterranean	43.80	0.60	7.7926	cif Augusta, Italy	Loading 10-30 days ahead	80-135
CPC Blend Terminal	43.80	0.60	7.7926	fob CPC terminal (Yuzhnaya Ozereyevka)		135
Urals Druzhba Czech Republic	31.16	1.52	7.2307	fit Budkovce (for Czech delivery)	Delivered during balance of current month	30
Urals Druzhba Slovakia	31.16	1.52	7.2307	fit Budkovce (for Slovak delivery)	Delivered during balance of current month	30
Urals Druzhba Hungary	31.16	1.52	7.2307	fit Feneshlitke (for Hungarian delivery)	Delivered during balance of current month	30
Urals Druzhba Poland	31.16	1.52	7.2307	fit Adamowa Zastawa (for Polish delivery)	Delivered during balance of current month	30
Urals Druzhba Germany	31.16	1.52	7.2307	fit Adamowa Zastawa (for German delivery)	Delivered during balance of current month	30
Urals Ukraine	31.16	1.52	7.2307	daf Velikotsk	Delivered during balance of current month	>5
Urals Belarus	31.16	1.52	7.2307	ddu Mozyr	Delivered during balance of current month	>5
Urals Kazakhstan	30.97	1.26	7.2223	daf Priirtyshsk	Delivered during balance of current month	>5
Urals West Siberia (domestic)	30.40	1.80	7.1969	fip Nizhnevartovsk	Delivered during balance of current month	>5
ESPO Blend	35.45	0.52	7.4214	fob Kozmino	Loading 30-75 days ahead	100
Sokol northeast Asia	36.79	0.248	7.4810	cif northeast Asia	Month of loading	100
Vityaz Yosu	41.60	0.16	7.6948	cif Yosu	Month of loading	100

## Kazakhstan

Urals daf Kazakhstan index reflects prices for Russian crude at Russia – Kazakhstan border (daf Priirtyshsk) for pipeline deliveries to Pavlodar refinery. Exports to Kazakhstan are free of Russia's export duties and are not levied with VAT in Russia.

## Netback Price Assessments

### Current netback

Argus calculates netback price assessments for Russian crude exports originating in West Siberia (Nizhnevartovsk), Volga-Urals (Samara) and Timan-Pechora (Usa) provinces. The netbacks are calculated from current Argus Urals cif assessments at international markets in Northwest Europe and Mediterranean by subtracting current transportation costs and export duty.

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

The netback values are compared with monthly average domestic spot market assessments in West Siberia (fip Nizhnevartovsk), Volga-Urals region (fip Samara/Almetyevsk) and Timan-Pechora

(fip Usa). The methodology for domestic crude price assessment is published separately at [www.argusmedia.com](http://www.argusmedia.com).

### Retrospective netback

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

Crude prices netted back to fip Nizhnevartovsk (West Siberia)*					Example: October 2010
Grade, destination	Benchmark price	Differential	Freight	Export duty	Transportation costs
Espo Blend	Oct Dubai swaps	Average Espo fob Kozmino differential in deals with October loading cargoes	–	Privileged and full duties for loading month (Oct)	Espo loading and transportation tariff
Urals northwest Europe	North Sea Dated average of Oct assessments	Average Urals differential cif northwest Europe for 10-21 days before B/L dates in October	Average Aframax (100kt) freight rate assessment on Primorsk – Rotterdam route for 10-21 days before B/L dates including Rotterdam harbor dues and Primorsk ice/towage fees	Full duty for loading month (Oct)	Primorsk loading and pipeline tariffs from Nizhnevartovsk
Urals Poland	North Sea Dated average of Oct assessments	Average Urals Poland differential for the month of delivery (October)	–	Full duty for loading month (Oct)	Pipeline tariffs from Nizhnevartovsk
Urals Germany	North Sea Dated average of Oct assessments	Average Urals Germany differential for the month of delivery (October)	–	Full duty for loading month (Oct)	Pipeline tariffs from Nizhnevartovsk
Urals Czech Rep.	North Sea Dated average of Oct assessments	Average Urals Czech Rep. differential for the month of delivery (October)	–	Full duty for loading month (Oct)	Pipeline tariffs from Nizhnevartovsk
Urals Med	North Sea Dated average of Oct assessments	Average Urals differential cif Med for 5-20 days before B/L dates in October	Average Aframax (80kt) freight rate assessment on Novorossiysk – Augusta route for 5-20 days before B/L dates including average assessment of demurrage costs in Turkish straits	Full duty for loading month (Oct)	Novorossiysk loading and pipeline tariffs from Nizhnevartovsk
Urals Slovakia	North Sea Dated average of Oct assessments	Average Urals Slovakia differential for the month of delivery (October)	–	Full duty for loading month (Oct)	Pipeline tariffs from Nizhnevartovsk
Urals Hungary	North Sea Dated average of Oct assessments	Average Urals Hungary differential for the month of delivery (October)	–	Full duty for loading month (Oct)	Pipeline tariffs from Nizhnevartovsk