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Putin Touts Tight Oil Breaks

By The Moscow Times

May 03, 2012

Prime Minister Vladimir Putin on Thursday said the government would introduce measures, including tax relief, for unconventional oil output in the world's largest crude-producing country.

Russia is trying to offset output decline at its depleted western Siberian oil fields by making forays into new riches in eastern Siberia and the Arctic.

The decision to hand out support for the tight oil follows similar steps to facilitate offshore oil and gas production in Russia. Putin said the mineral extraction tax — the single biggest tax item — for tight oil production will total no more than 50 percent of the fee for standard oil fields. Tight oil refers to hard-to-extract oil trapped in nonporous rock.

He said there are between 25 billion and 50 billion tons of tight oil resources in Russia, and the tax relief will boost production of unconventional oil.

(Reuters)

Original url: https://www.themoscowtimes.com/2012/05/03/putin-touts-tight-oil-breaks-a14550