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Sanctions Won't Hinder Russia's Tapping of Tight Oil, Minister Says

By The Moscow Times

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VIENNA — Russia is not changing its plans for developing hard-to-extract oil despite Western sanctions, Energy Minister Alexander Novak said Tuesday.

No substantial changes are expected in Russian oil production, Novak said, citing preliminary studies on the impact of sanctions.

Western sanctions over Moscow's role in Ukraine's crisis have limited some of Russia's largest oil companies ability to raise money in the West, potentially impacting their investment plans.

Russia is the world's leading oil producing nation extracting about 10.5 million barrels per day. But the bulk of production is from conventional fields in western Siberia which are depleting.

"We are not changing our forecasts," Novak told journalists when asked how the latest round of sanctions which banned Western companies from helping Russia to explore for Arctic offshore oil, shale oil and deep water exploration could affect so-called hard-to-extract oil output.

"We have companies which use Russian technologies," Novak said, pointing to Surgutneftegaz, Russia's third-largest oil producer.

Gazprom Neft, which is running Russia's first Arctic offshore oil field and Surgutneftegaz are pioneering shale oil exploration in Russia, which is now producing less than 1 million tons of oil per year.

Novak said Russia planned to produce 80 million tons a year, or 1.6 million barrels per day, of hard-to-extract oil by 2030. Oil production as a total for this year is planned at 525 million tons, he said.

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