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Russian Oil Production Rises Despite Sanctions and Price Slump

By The Moscow Times

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A flame burns from a tower at Vankorskoye oil field owned by Rosneft company north of the Russian Siberian city of Krasnoyarsk.

Russian production of oil and gas condensate rose by 1.2 percent between January and May compared to the same period in 2014, even as Western sanctions curtailed energy companies' access to international financing and Western technology.

Russian companies pumped 220,357 million tons of oil and gas condensate in the first five months of the year, or 10.7 million barrels per day, according to data from the Central Dispatching Department of Fuel and Energy Complex (CDU TEK) cited by news agency Interfax on Tuesday.

Production of natural gas, however, fell by 5.7 percent over the same period to 269,196 billion cubic meters, the data showed.

Russia's top oil firm Rosneft produced 78,513 million tons of oil over the period, according to CDU TEK, while nearest rivals LUKoil and Surgutneftegaz produced 35,787 million tons and 25,453 million tons respectively.

The increase comes as Russian energy firms face a sharp fall in oil prices, which are more than 40 percent down from their peak last summer at around $65 per barrel, and sanctions leveled at the industry over Moscow's actions in Ukraine.

The sanctions restrict participation by Western companies in Russian hard-to-reach oil and gas projects and make it harder for Russian companies to borrow overseas.

The oil and gas industries provide around half of Russia's government revenues.

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