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Indonesia Seeks to Buy Russian Oil for the First Time in Decade – Reuters

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Pertamina / Facebook

Indonesia's state-owned oil and natural gas corporation Pertamina is looking to purchase Russian oil for the first time in more than a decade, Reuters reported on Monday, citing three anonymous traders familiar with the matter.

As Southeast Asia's largest economy, Indonesia stepped back from buying Russian oil following the full-scale invasion of Ukraine in February 2022, but the country did not join in Western sanctions against Moscow.

According to Reuters, Pertamina has added two Russian oil grades — Urals and Sokol — alongside others to its tender lists for purchase in September. One of the tenders reportedly closed last week and another on Monday, with the results yet to be announced.

Pertamina last purchased Sokol oil and Eastern Siberia-Pacific Ocean blend from Russia more than 10 years ago, Reuters reported, citing London Stock Exchange Group data.

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Months after Russian troops invaded Ukraine, Indonesian President Joko Widodo said he was considering joining China and India in buying Russian oil.

Moscow has rerouted its oil exports through neutral countries since the EU embargoed seaborne Russian oil deliveries and introduced a price cap on Russian crude oil in coordination with the G7.

Pertamina may only buy Russian oil if sold under the price cap regulation, according to Reuters, citing an anonymous source familiar with the company's plans.

In 2022, Pertamina said it was reviewing the risks of buying Russian oil after Indonesia had been offered crude at a 30% discount.

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