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Forget Discounts – Russian Oil Is Now Selling at a Premium, Deputy PM Novak Says

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Transneft

Russian oil is now selling at either no discount or even a premium as governments scramble to replace energy supplies lost after the closure of the Strait of Hormuz, Deputy Prime Minister Alexander Novak said Thursday.

"Today, when there's a deficit in the market, our oil and petroleum products are in high demand," Novak told reporters, according to the Interfax news agency.

"We've moved from a discount to either no discount or, in some cases, even a partial premium," he said.

Russian oil has been sold at steep discounts in recent years due to Western sanctions imposed over the full-scale invasion of Ukraine.

But the outbreak of war in the Middle East has led to the largest-ever disruption to global

energy supplies, sending the price of Brent crude oil above $100 per barrel.

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The surge in oil prices allows Russia to funnel larger sums of cash into its National Wealth Fund (NWF), which is governed by a so-called "budget rule."

Under the current rule, revenues earned above $59 per barrel of Urals crude are added to the NFW. Shortfalls, meanwhile, are covered by the rainy-day fund.

The price of Urals crude rose to more than $100 per barrel earlier this month.

Prices have fallen slightly this week amid speculation that Iran and the U.S. might launch peace negotiations soon, and Urals crude is now trading at around $96 per barrel.

Reuters estimates that Russia's oil and gas revenues could jump by around 70% in April from March amid the rise in global prices, reaching their highest monthly level since October 2025.

Bloomberg reported on Wednesday that Indian refiners have bought around 60 million barrels of Russian oil for delivery next month. The shipments were said to have been booked at premiums of $5 to $15 a barrel to Brent.

President Vladimir Putin this week urged oil and gas companies to use the windfalls to pay off their debts.

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