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Russian Far East Crude Tops $120 Per Barrel as Middle East Supply Shocks Drive Chinese Demand

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A production facility owned by the Transneft oil pipeline operator. **REUTERS / Maxim Shemetov**

Prices for Russia's ESPO blend of crude oil bound for China surged past $120 per barrel this week, Reuters reported Friday, citing trading sources and market data.

Chinese state-owned refiners rushed to lock in November and December ESPO cargoes early, although they typically purchase the grade one or two months in advance due to the short shipping distance.

The buying spree pushed the ESPO grade's price premium over benchmark ICE Brent to record levels of $20 to $30 per barrel.

ESPO is a low-sulfur, light Siberian crude exported primarily via the Kozmino port in Russia's Far East. China primarily imports the unique blend, as well as Arctic and Sakhalin grades.

The surge in premium costs comes as Iran and its proxies continue to retaliate against U.S.

strikes and economic warfare. Saudi Arabia shut down a critical oil pipeline last week after it said militants in Iraq launched drones at the facility, which was being used as an export route to bypass the effective closure of the Strait of Hormuz.

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The rising cost of ESPO mirrors a similar surge seen with Russia's flagship Urals blend in March and April 2026 after the United States and Israel first launched attacks against Iran.

During the initial closure of the Strait of Hormuz this spring, global buyers scrambled for alternative oil supplies, sending Urals prices soaring above $110 per barrel. Prices cooled over the summer as workaround shipping routes were established and Chinese refiners drew down domestic stockpiles.

The spring surge came as the Trump administration sought to ease global energy markets by issuing multiple rounds of a sanctions waiver on purchases of Russian seaborne crude.

But with Saudi infrastructure damaged and global inventories depleted, physical crude premiums have once again surged.

Russia's Urals crude delivered to India and China reached $110 to $120 per barrel last week, the newspaper Kommersant reported Wednesday, citing the energy agency Argus.

Meanwhile, Russia's weekly seaborne oil export revenues hit $2.42 billion, their highest level since late May, Bloomberg reported Wednesday, citing tanker tracking data.

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