

Oil Output in 2011 at Post-Soviet High

By [The Moscow Times](#)

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Russian oil production rose 1.25 percent in 2011 to a record level for the post-Soviet era, as companies in the world's largest crude-producing nation took advantage of higher prices and boosted output at new projects.

Production grew to an average of 10.27 million barrels a day, according to preliminary data from the Energy Ministry's CDU-TEK unit.

The average price for Urals crude, Russia's benchmark grade, for delivery to northwestern Europe jumped 40 percent to \$109.30 a barrel, according to data compiled by Bloomberg.

Rosneft, Russia's biggest producer, raised average output from its Vankor field, one of the country's largest, by 18.1 percent last year, according to the Energy Ministry's statistics.

TNK-BP increased average production by 0.7 percent, while LUKoil pumped 5.31 percent less crude in the country last year.

Chinese trader Unipet paid a record premium for a February cargo of Russian crude and bought Vietnamese oil for the first time in at least a year, traders said, Reuters reported, as the world's second-largest oil consumer looks to cover for reduced Iranian supplies.

China slashed Iranian crude imports by more than half for January as the two countries haggle over 2012 payment terms, industry sources said. The latest deals show that the dispute could be dragging into talks for February cargoes as well.

Tehran is facing tougher sanctions from the West, which could hurt its oil exports into Europe and Asia. That gives top Iranian crude buyer China a strong hand in contract negotiations as one of a shrinking group of customers.

(Reuters)

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