

Overview

Oil and natural gas have been a key part of the Russian economy for decades, even though Russia is, strictly speaking, not an oil state. It is difficult to assess accurately the importance of oil and natural gas for the Russian economy but, according to the latest estimates, oil and natural gas have accounted for approximately one fifth of Russia's GDP¹ in the 2000s. They have accounted for nearly 30% of consolidated budget revenue and over half of export revenue. The largest Russian companies operate in the oil and gas sector, and their weighting in the Russian stock market index amounts to more than half. Both the Russian stock market and the ruble exchange rate therefore closely follow the development of the oil price.

Largest Oil Fields

- | | |
|-----------------|-----------------|
| • Samotlor | • Bovanenko |
| • Romashkino | • Prirazlomnoye |
| • Priobskoye | • Urengoy |
| • Priobskoye | • Yamberg |
| • Lyantorskoye | • Orenburg |
| • Fyodorovskoye | • Shtokman |
| • Mamontovsko | • Zapolyarnoye |
| • Russkoye | • Kharasevey |

Oil & Gas Fields

Russia holds the world's largest natural gas reserves, with 1680 trillion cubic feet (Tcf), and Russia's reserves account for about a quarter of the world's total proven reserves. The majority of these reserves are located in Siberia, with the Yamburg, Urengoy, and Medvezhye fields alone accounting for about 45 % of Russia's total reserves. More than half of all reserves are located in Siberia. Significant reserves are also located in northern Russia.

The Urengoy gas field in the northern West Siberia Basin is the world's second largest natural gas field after South Pars / North Dom Gas-Condensate field. The gas field has over ten trillion cubic meters in total deposits. The Yamburg gas field is the world's third largest natural gas field discovered in 1969. Orenburg field was discovered in the Volga-Urals region in 1967 and is the largest Russian gas field outside of West Siberia. Zapolyarnoe gas field was discovered in 1965 and lays at Yamalo-Nenets Autonomous Okrug, 80 kilometers to the east of Urengoy gas field. It has 2.6 trillion cubic meters of gas reserves.

Proven Hydrocarbon Reserves

17.8 Billion Tons

Total Production of Oil and Condensate

474.28 Million Tons
(2017)

Investment in Oil & Gas

\$23 Billion (2017)

Major Export Crude Type

Rebco &
Urals

31-34 ° API

Fiscal Regime

Russian tax-resident companies are subject to profits tax on their non-exempt worldwide profits. Foreign companies operating in Russia through permanent establishments (PE) are subject to profits tax on profit received through (or attributable to) those PE.

Applicable Taxes	Rate
Bonuses	Variable
Mineral Extraction Tax (MET)	16.8 USD/metric ton
Excess Profit Tax (EPT)	NA
Payment of compensation of Historical Cost	Variable
Rent Tax on Export	26 %
Excise on crude oil and gas condensate	RUB 2700 per metric ton
Land Tax	1.5 %
Asset Tax	NA
Environmental fees	NA
Value-added Tax (VAT)	18%
Crude oil export duty	Variable

Major Oil Companies

Rosneft is the national oil company

Gazprom is the largest gas company