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Russian Oil Tracker

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Summary

- In February 2024, Russian oil export revenues decreased marginally to $15.7 bn as lower export volumes were only partially compensated by higher prices.
- Russian seaborne oil exports volumes decreased by 3% driven by almost 4% crude exports decline. Reliance on Western maritime services changed little as 35% of Russian oil exports were shipped with IG P&I insurance coverage as in the previous month.
- KSE Institute estimates 225 loaded Russian shadow fleet tankers left Russian ports and 2 were involved in STS transfers in February 2024, 84% of which older than 15 years. Russian shadow fleet poses huge environmental risks for the EU as decrepit tankers without P&I insurance navigate several European countries coastlines including Danish Straits.[1] In February 2024, the shadow fleet was responsible for exports of around 2.4 mb/d of crude and 1.4 mb/d of oil products.
- China became the biggest Russian seaborne crude importer as India decreased its imports by 23% in February 2024. Turkey stays the top-1 buyer of Russian oil products, while total Russian oil imports exceeded 800 kb/d since November 2023. Turkey's reliance on Russian oil reached ~70% of its energy demand.
- The US Treasury approach to designate individual vessels effectively hits the target by removing shadow tankers from regular commercial service. As of March 20, 2024, out of 41 sanctioned vessels — 29 have been unloaded and had no scheduled voyages, 7 have been loaded but have not been moving since had no any scheduled voyages, 5 were completing voyages (imposed sanctions imply 45-day period for cargo offloading).
- Russia employs STS transfers to conceal the origin of the crude and oil products and breach sanctions in different regions of the world. The KSE Institute estimates the total volumes of crude and oil products STS transfers at 3.8 mb and 10.7 mb respectively in December 2023 – February 2024.
- In February 2024, Urals FOB Baltic and Black Sea increased by around $4/bb to $66/bbl while ESPO FOB increased by around $3/bbl to $77/bbl. The discount of Urals and ESPO to Dated Brent little changed over previous month.
- According to KSE Institute modelling, in the base case with current oil price caps and status quo of sanctions but their stronger enforcement, revenues will contract to $163 bn and $143 bn in 2024 and 2025 respectively compared to $218 bn and estimated $176 bn in 2022 and 2023 respectively. If the discount on Russian oil is widened to $50/bbl compared to Brent forecast prices, revenues will fall to $103 bn and $63 bn in 2024 and 2025 respectively. However, in case of weak sanctions enforcement, Russian oil revenues could increase to the robust $194 bn and $186 bn in 2024 and 2025 respectively.

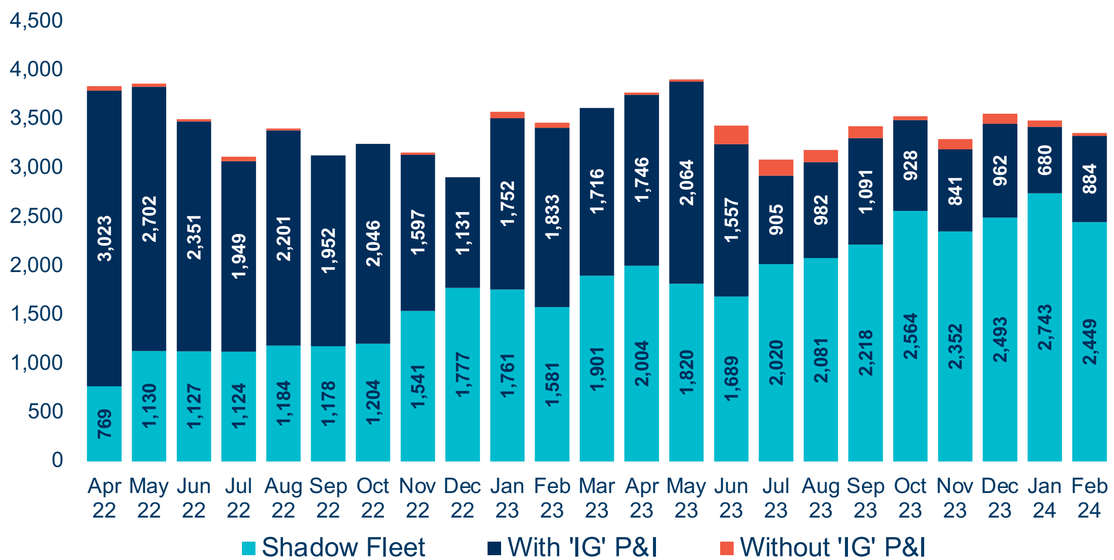
[1]See Craig Kennedy, August 23, 2023, Measuring the Shadows. Moscow's Strategies for Evading Oil Sanctions and How to Stop them from Succeeding, https://navigatingrussia.substack.com/p/measuring-the-shadows?utm_source=substack&utm_medium=email for details and examples

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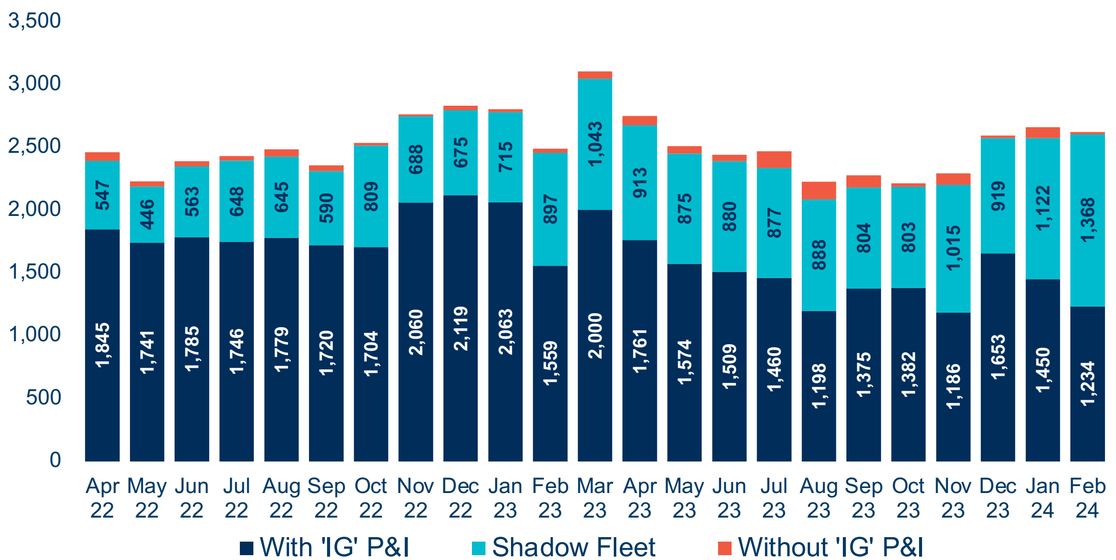
Russian seaborne oil exports volumes declined by 3% in February 2024. Only 35% of Russian oil exports were shipped by IG insured tankers

- In February 2024 Russian seaborne oil exports declined by 3% MoM but little changed YoY.
- Shipments of seaborne crude oil decreased by 3.7% MoM while products exports were 1.4% lower MoM.
- Overall Russian reliance on Western maritime services is estimated at 35%, as 26% of crude oil and 47% of oil products were shipped by tankers with International Group (IG) P&I insurance coverage in February 2024.

Russian seaborne crude oil exports, kb/d



Exports of Russian oil products, kb/d



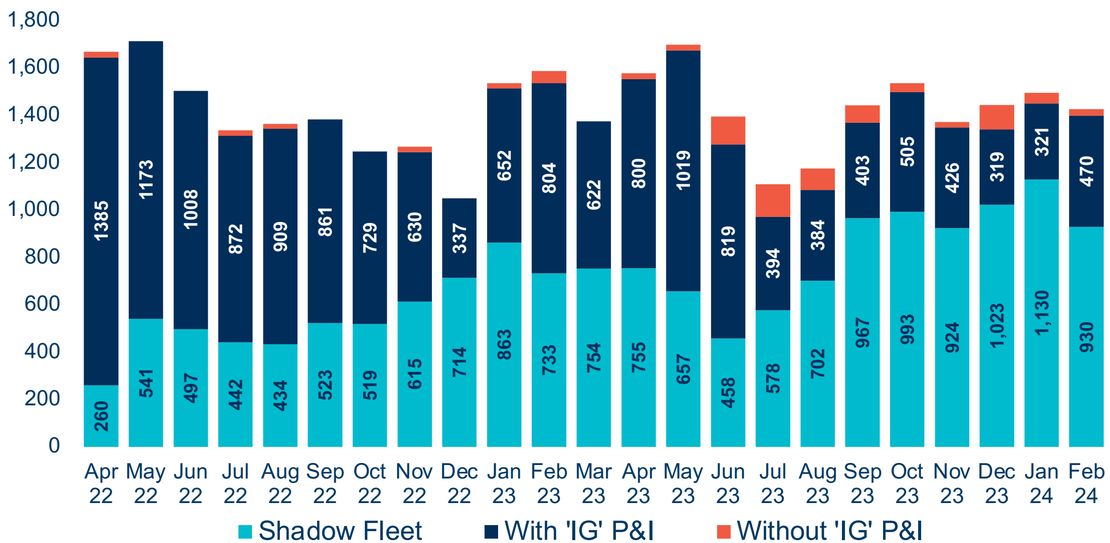
Shadow fleet: *tankers affiliated with jurisdictions outside sanctions coalition and lacking "IG" P&I insurance.* ***With "IG" P&I:*** *tankers affiliated with jurisdictions of sanctions coalition and outside coalition and with "IG" P&I insurance.* ***Without "IG" P&I:*** *tankers affiliated with jurisdictions of sanctions coalition but lacking "IG" P&I insurance.* Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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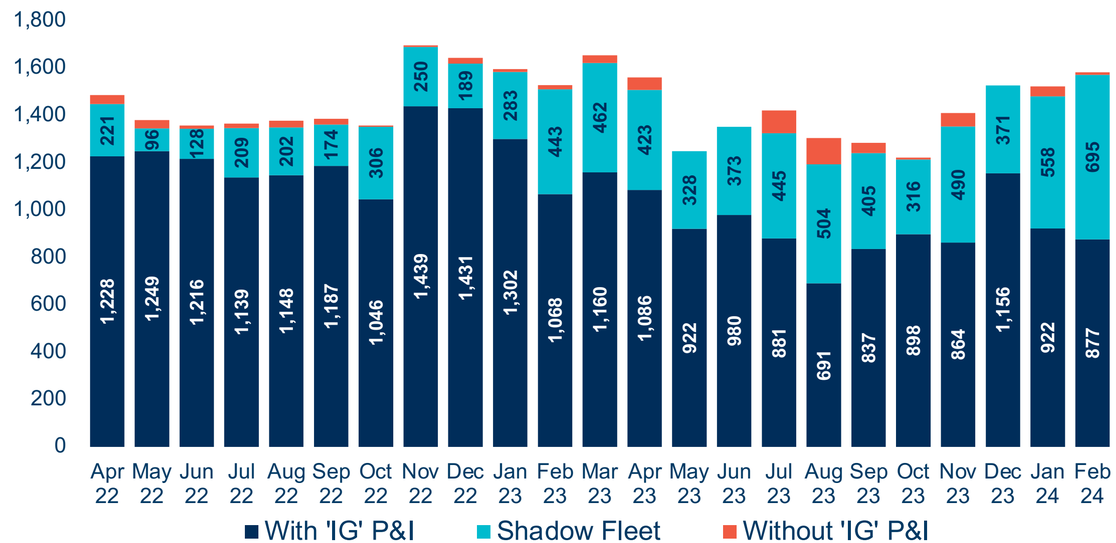
45% of crude & oil products were shipped by IG insured tankers from Baltic Sea ports in February 2024

- In February 2024, the exports of crude oil from Baltic ports decreased by 4.6% MoM and were 10.2 % lower YoY.
- The exports of oil products from Baltic ports increased by 3.9% MoM and by 3.6% YoY.
- 33% of crude oil and 55% of oil products were shipped by tankers with IG P&I insurance in February compared to 21% and 61% respectively in January 2023.

Russian crude oil exports from Baltic Sea ports, kb/d



Exports of Russian oil products from Baltic Sea ports, kb/d



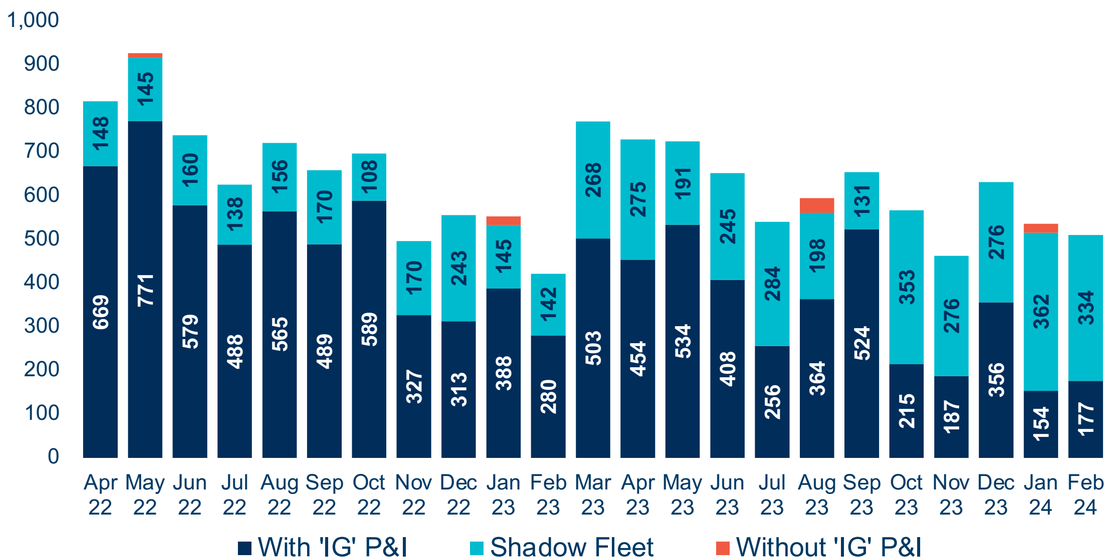
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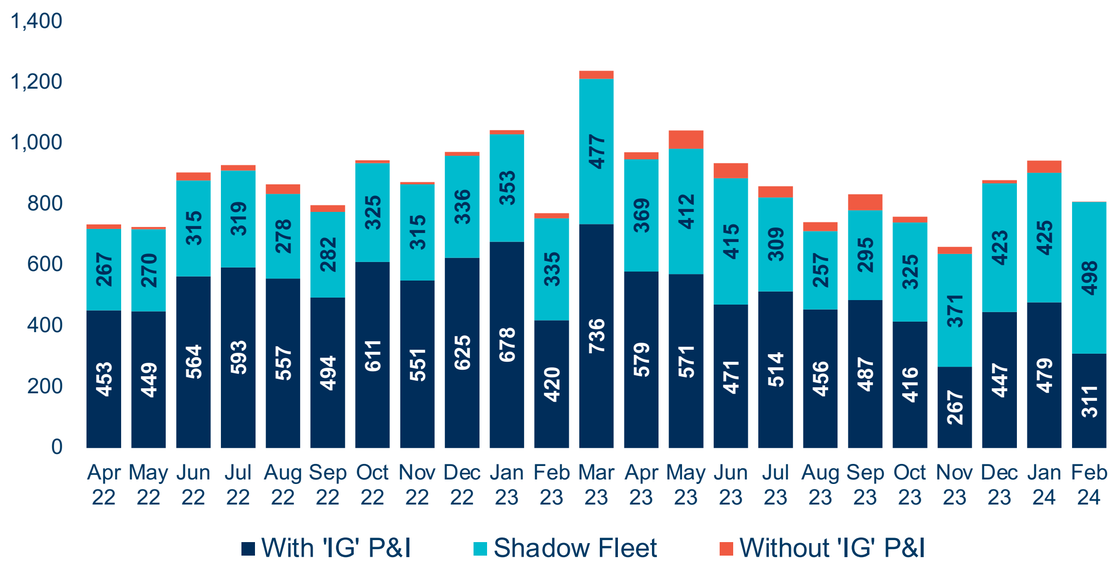
37% of crude & oil products were shipped by IG insured tankers from Black Sea ports in February 2024

- The exports of crude oil from Black Sea ports decreased 4.8% MoM but were 21.0% higher YoY in February 2024.
- The exports of oil products from Black Sea ports decreased by 14.4% MoM but were 4.9% higher YoY.
- 35% of crude oil and 38% of oil products were shipped by tankers with IG P&I insurance compared to 29% and 51% respectively in January 2023.

Russian crude oil exports from Black Sea ports, kb/d



Exports of Russian oil products from Black Sea ports, kb/d



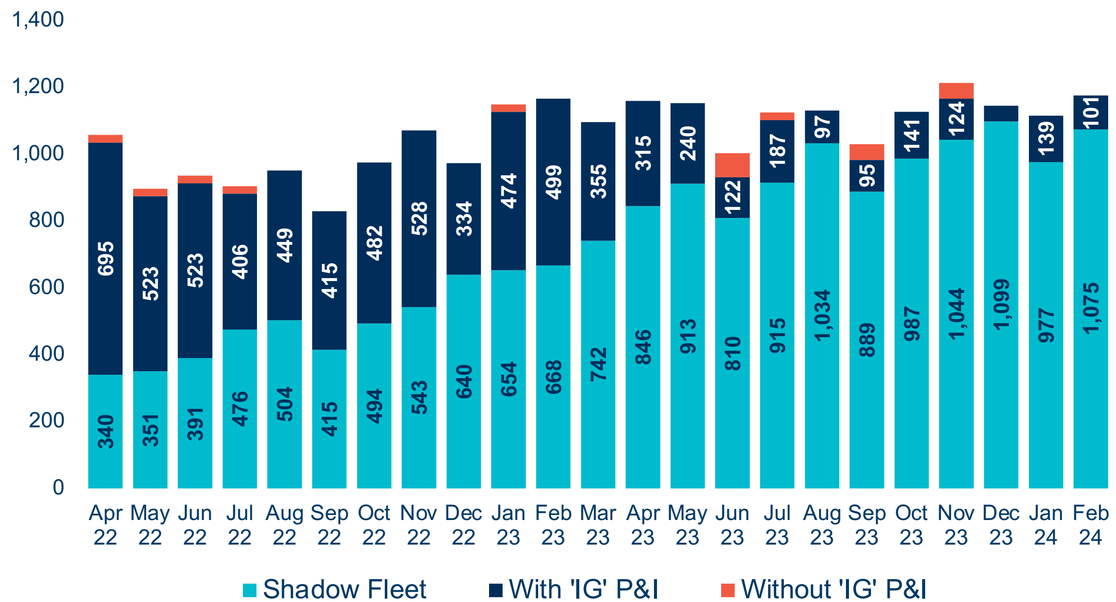
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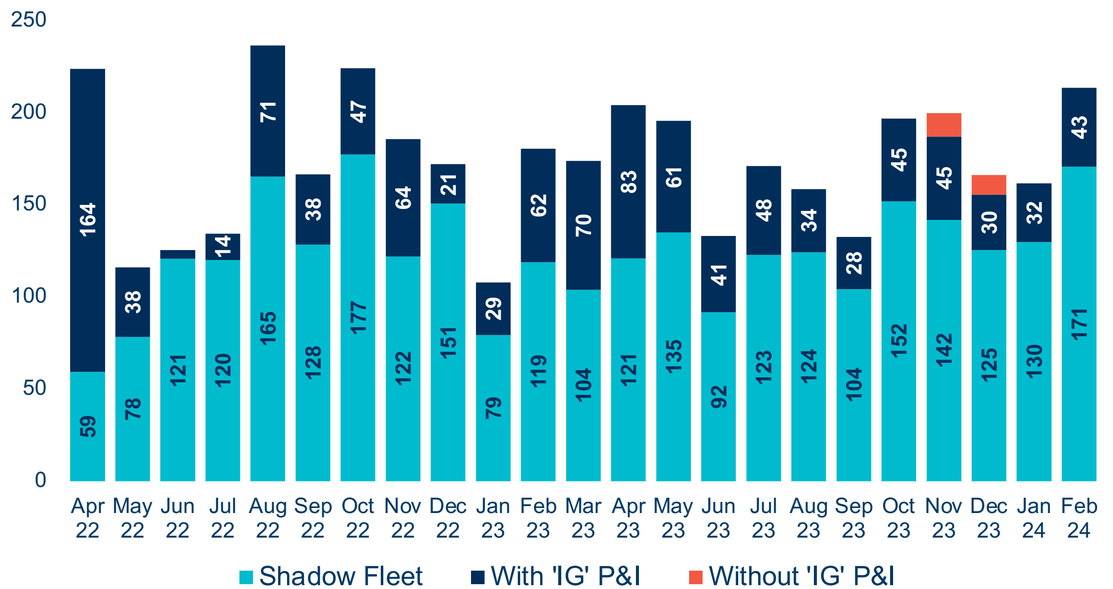
10% of crude & oil products were shipped by IG insured tankers from Pacific Ocean ports in February 2024

- In February 2024, the exports of crude oil from Pacific Ocean ports increased 5.4% MoM and by 0.8% YoY.
- The exports of oil products from Pacific Ocean ports increased by 32.1% MoM and by 18.3% YoY.
- Only 9% of crude oil and 20% of oil products were shipped by tankers with IG P&I insurance in February 2024.

Russian crude oil exports from Pacific Ocean ports, kb/d



Exports of Russian oil products from Pacific Ocean ports, kb/d



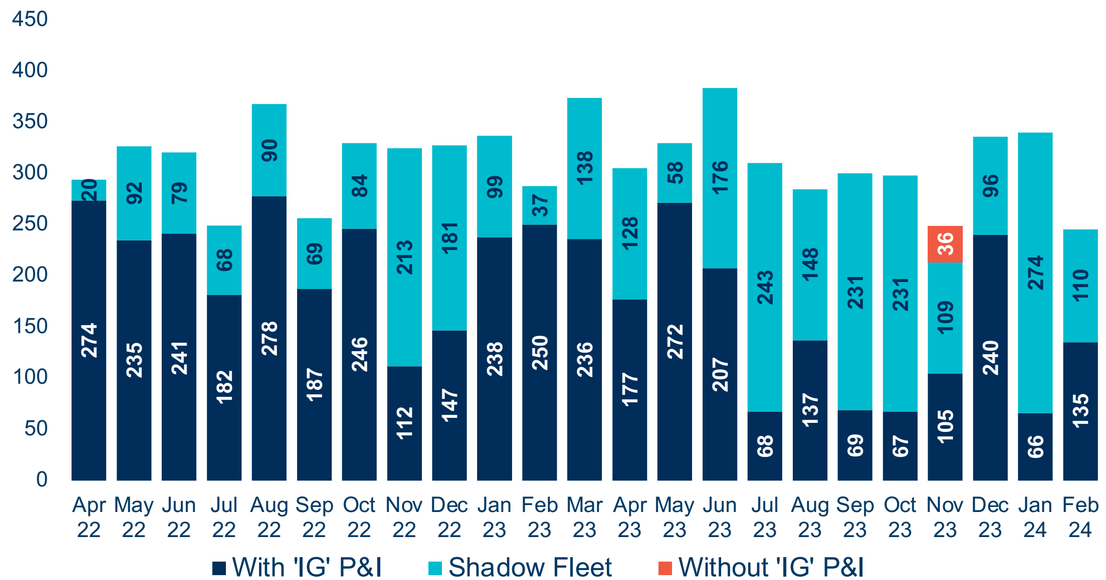
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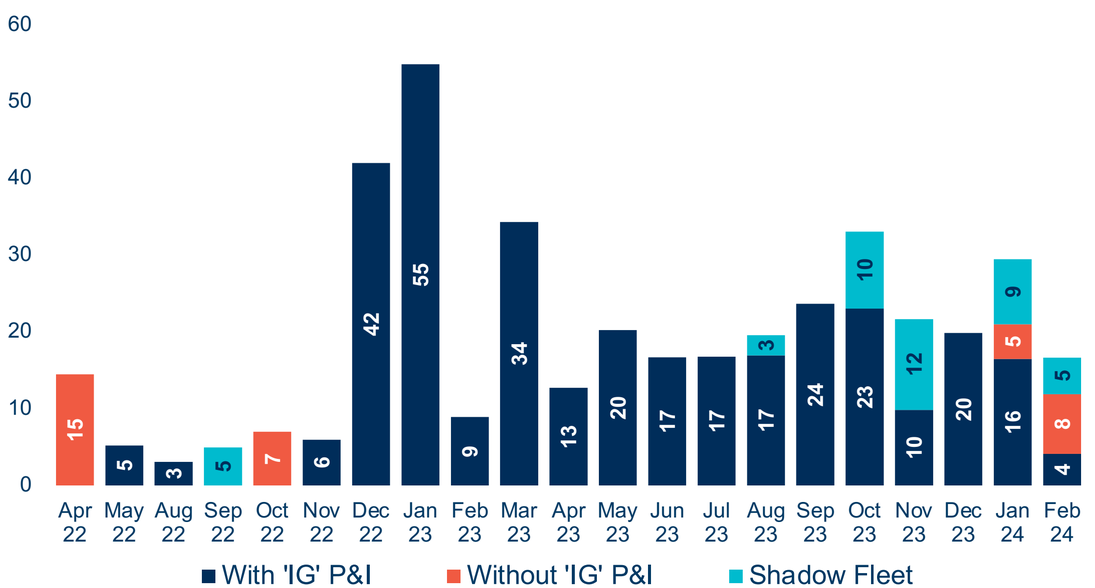
54% of crude oil and oil products were shipped by IG insured tankers from Arctic Ocean ports in February 2024

- Crude oil exports from Arctic Ocean ports fell by 27.8% MoM and 14.7% YoY to the record low 245 kb/d in February 2024.
- The exports of oil products from Arctic Ocean is insignificant as Russia ships predominantly crude from these ports.
- 55% of crude oil was shipped by IG insured tankers in February 2024 compared to 19% in the previous month.

Russian crude oil exports from Arctic Ocean ports, kb/d



Exports of Russian oil products from Arctic Ocean ports, kb/d



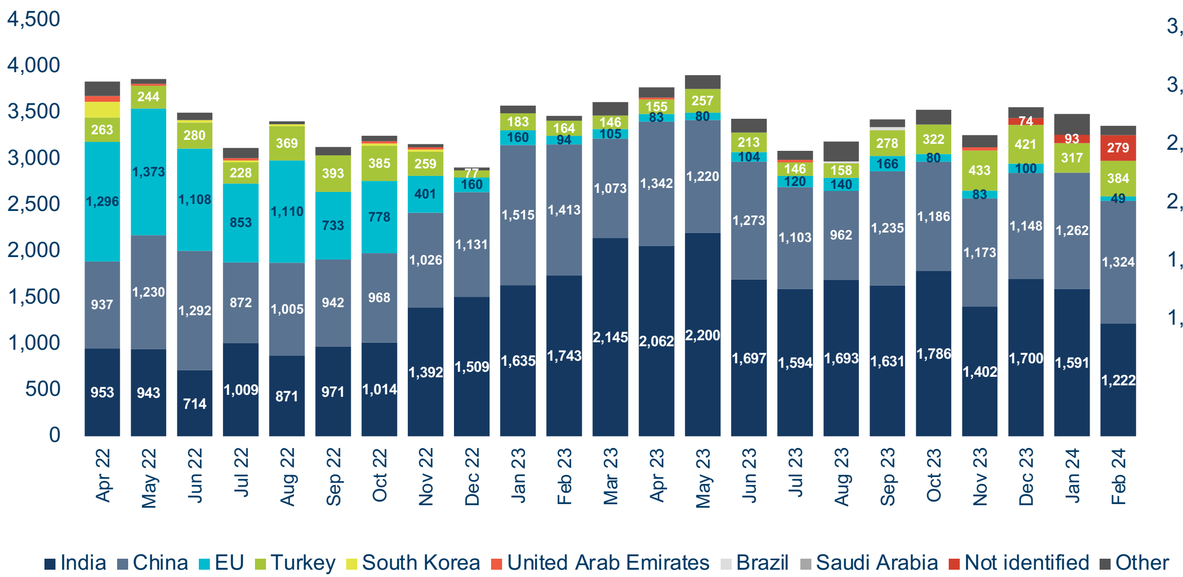
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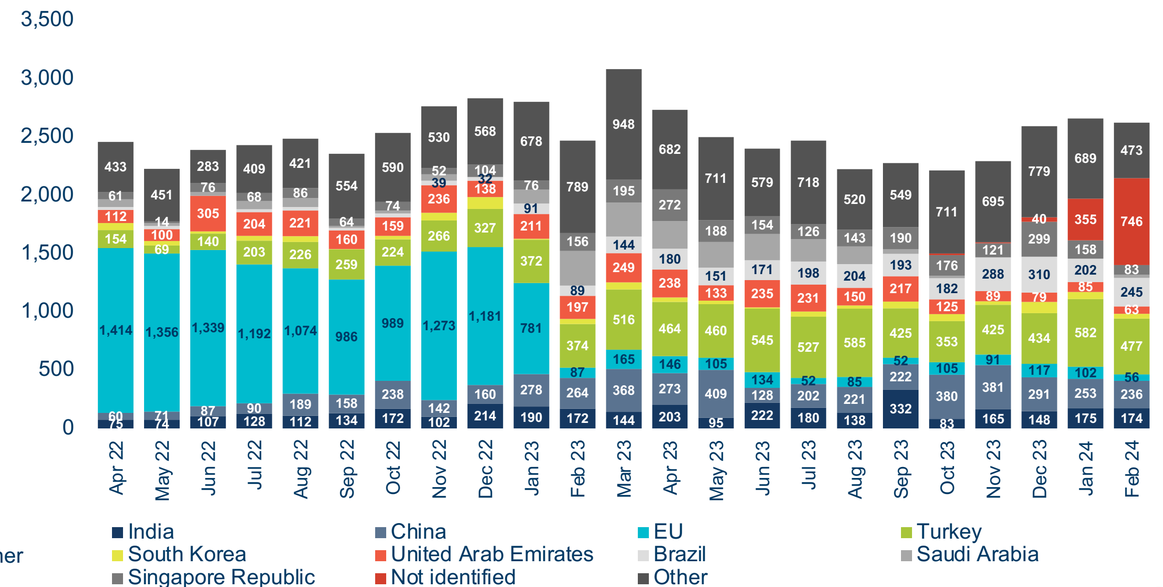
China became the biggest Russian seaborne crude importer, as India decreased its imports by 23%

- China increased Russian crude imports by 5% (to 1 324 kb/d) and topped the list of Russian seaborne crude importers for the first time. While India lost its leader position for the first time since October 2022, as imports collapsed by 23% (to 1 222 kb/d).
- Altogether India, China and Turkey were responsible for 87% (-5 p.p. MoM) of Russian crude oil exports in February.
- Turkey remains top-1 buyer of Russian oil products. Total Russian oil exports to Turkey exceeded 800 kb/d since November 2023. Country's reliance on Russian oil reached ~70% of its energy demand, making it very vulnerable from the energy security point of view.

Russian seaborne crude oil exports by destinations countries, kb/d



Russian oil products exports by destinations countries, kb/d



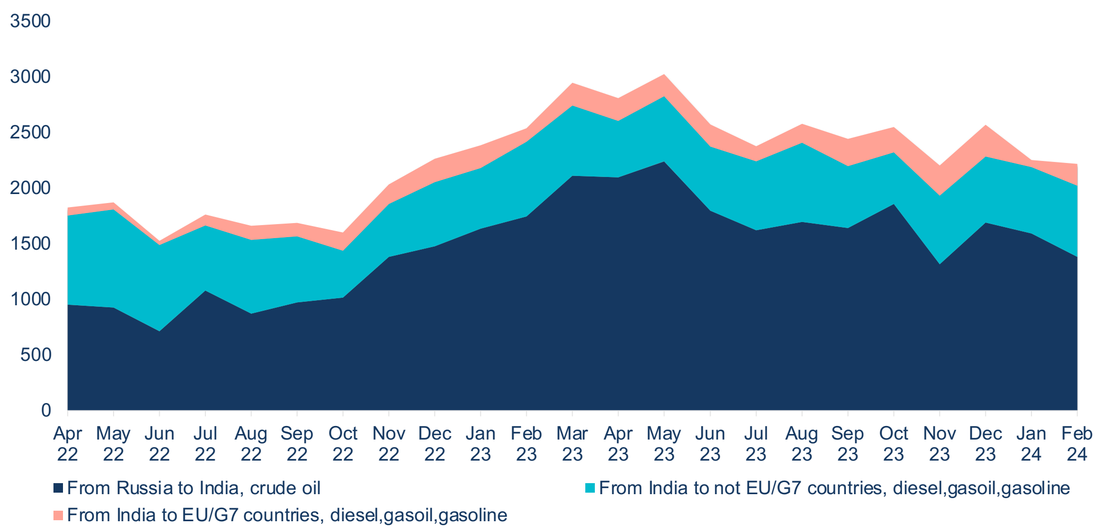
Source: Kpler, KSE Institute estimates

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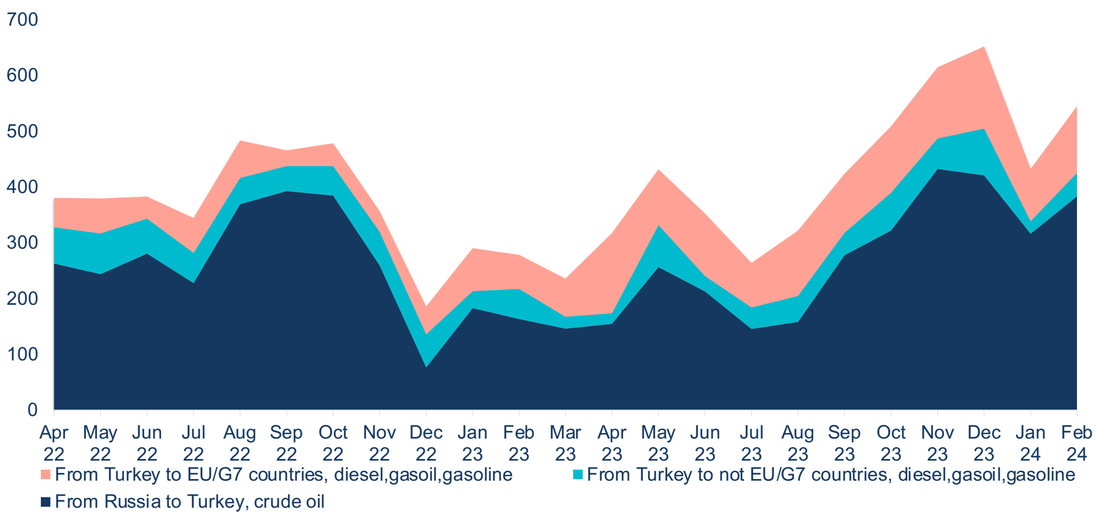
India and Turkey are “cleaning” Russian crude by processing it and exporting oil products to EU/G7 countries

- Both countries increased manifold their imports of Russian crude since the invasion and especially after the EU countries imposed the embargo on Russian seaborne crude imports.
- In February 2024, the premium oil products exports from India & Turkey to the EU/G7 countries were 2.8 and 2.3x higher vs. April 2022.
- The expectations of large discounts on Russian crude exports to these countries to keep Russian oil flowing but leaving Russia without windfall oil revenues did not materialize. The discounts of Urals DAP WCI and ESPO FOB Kozmino to Dubai M1 were recorded at only $1.03/bbl and $4.35/bbl respectively in February 2024.

Comparison of seaborne volumes of oil products from Russia to India and from India to the world, kb/d



Comparison of seaborne volumes of oil products from Russia to Turkey and from Turkey to the world, kb/d



Source: Kpler, KSE Institute estimates

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Sanctioned Oil Tankers Scf Mgmt Fzc topped the list of ten biggest shippers for a third consecutive month after getting almost entire tanker fleet from previously sanctioned by the OFAC Sun Ship Management.

Three Greek companies remained in the list of top ten Russian crude shippers despite the risk of being sanctioned by the US Treasury for carrying Russian crude sold above the price cap.

Russian crude oil exports by ship managers

Dec 23			Jan 24			Feb 24		
Ship manager	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**
Other	2017	57%	Other	1999	57%	Other	1997	59%
UAE.Oil Tankers Scf Mgmt Fzco	608	17%	UAE.Oil Tankers Scf Mgmt Fzco	567	16%	UAE.Oil Tankers Scf Mgmt Fzco	520	15%
UAE.Sun Ship Management	193	5%	UAE.Stream Ship Management Fzco	223	6%	UAE.Stream Ship Management Fzco	142	4%
Turkey.Gungen Denizcilik Ve Ticaret	132	4%	Greece.Olympic Shipping & Management	144	4%	Greece.Olympic Shipping & Management	109	3%
China.Sunne Co Ltd	120	3%	Turkey.Gungen Denizcilik Ve Ticaret	136	4%	Turkey.Gungen Denizcilik Ve Ticaret	106	3%
UAE.Fractal Marine Dmcc	106	3%	China.Sunne Co Ltd	99	3%	China.Sunne Co Ltd	104	3%
China.Prominent Shipmanagement Ltd	94	3%	UAE.Alqutb Alshamali Marine Srvs	79	2%	UAE.Alqutb Alshamali Marine Srvs	102	3%
Greece.New Shipping Ltd-Lib	76	2%	China.Prominent Shipmanagement Ltd	70	2%	China.Prominent Shipmanagement Ltd	83	2%
Singapore.Navig8 Asia Pte Ltd	72	2%	Greece.Stealth Maritime Corp Sa	67	2%	Greece.Stealth Maritime Corp Sa	76	2%
UAE.Alqutb Alshamali Marine Srvs	71	2%	Greece.Polembros Shipping Ltd	55	2%	Greece.Polembros Shipping Ltd	60	2%
Greece.Dynacom Tankers Management Ltd	68	2%	UAE.Almuhit Alhadi Marine Services	50	1%	UAE.Almuhit Alhadi Marine Services	59	2%
Total	**3558**	**100%**	**Total**	**3488**	**100%**	**Total**	**3359**	**100%**

Source: Kpler, Equasis, KSE Institute estimates

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Greek Ims Sa increased its share in shipping Russian oil products and topped the list of shippers of Russian oil products for the first time in February moving from a second position in the previous month.

Six out of ten biggest shippers of Russian oil products were Greek companies in February 2024 compared to five in January and four in December 2023.

Russian oil products exports by ship managers

Dec 23			Jan 24			Feb 24		
Ship manager	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**
Other	1877	72%	Other	1909	72%	Other	1921	73%
Greece.Eastern Mediterranean Maritime	119	5%	Turkey.Beks Tanker Isletmeciligi As	152	6%	Greece.Ims Sa	140	5%
UAE.Oil Tankers Scf Mgmt Fzco	118	5%	Greece.Ims Sa	118	4%	Kuwait.Arab Maritime Petroleum Trans	91	3%
Turkey.Beks Tanker Isletmeciligi As	76	3%	Greece.Eastern Mediterranean Maritime	78	3%	UAE.Oil Tankers Scf Mgmt Fzco	87	3%
Kuwait.Arab Maritime Petroleum Trans	74	3%	Greece.Minerva Marine Inc	74	3%	Greece.Minerva Marine Inc	70	3%
Greece.Ims Sa	73	3%	Greece.Sea Trade Marine Sa	62	2%	Turkey.Besiktas Likid Tasimacilik	68	3%
UAE.Fractal Marine Dmcc	60	2%	Kuwait.Arab Maritime Petroleum Trans	60	2%	Greece.Tms Tankers Ltd	58	2%
Singapore.Executive Ship Management	59	2%	Singapore.Trafigura Maritime Logistics	54	2%	Greece.Product Shipping & Trading Sa	55	2%
Greece.Tms Tankers Ltd	49	2%	Greece.Spring Marine Management Sa	53	2%	Greece.Velos Tankers Ltd	49	2%
UAE.Solid Energy Solutions	44	2%	UAE.Onex Dmcc	50	2%	Turkey.Beks Tanker Isletmeciligi As	43	2%
Greece.Sea Trade Marine Sa	44	2%	Turkey.Onn Denizcilik Ve Danismanlik	48	2%	Greece.Eastern Mediterranean Maritime	39	2%
Total	**2593**	**100%**	**Total**	**2659**	**100%**	**Total**	**2622**	**100%**

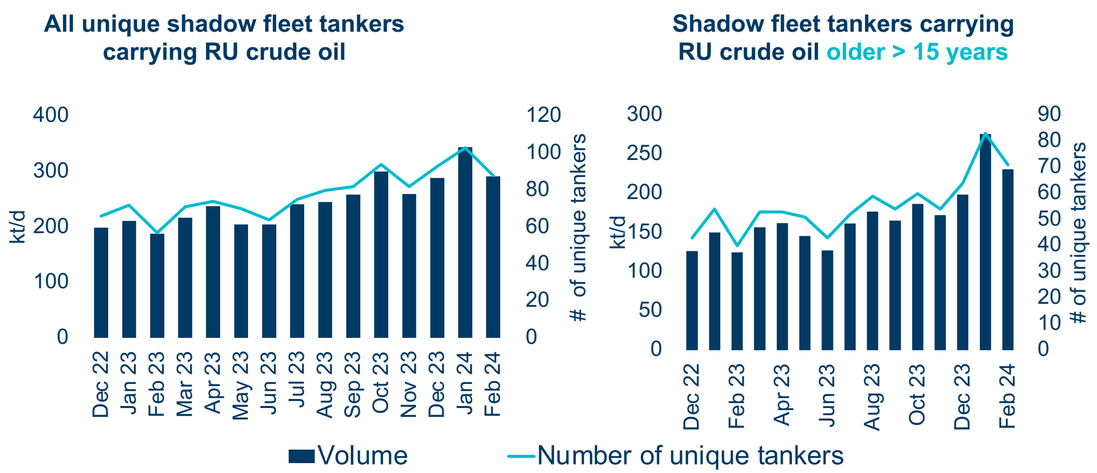
Source: Kpler, Equasis, KSE Institute estimates

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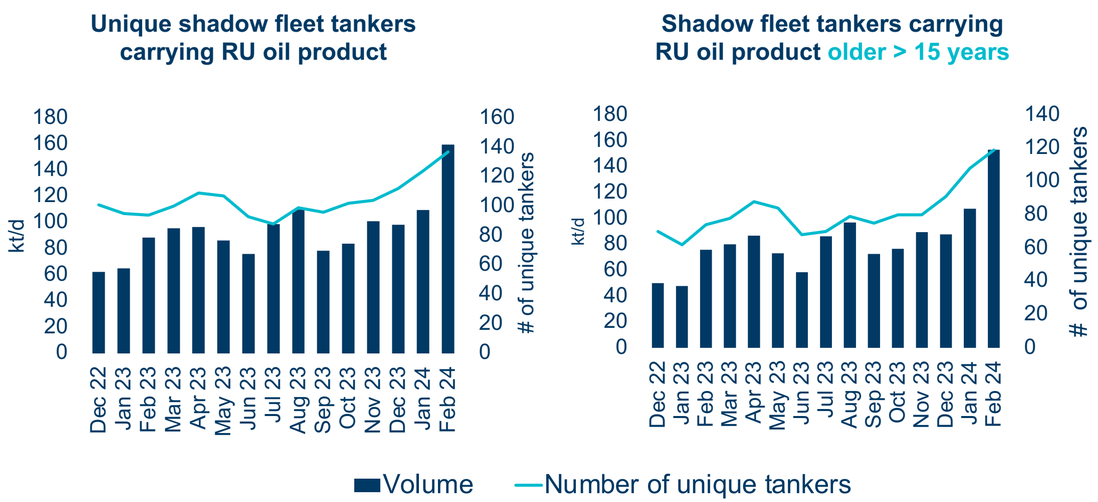
The number of Russian shadow fleet tankers carrying crude and oil products from Russian ports is estimated at 225 in February 2024

- Russian oil exporters decreased the number of shadow fleet tankers carrying crude from Russian ports by 15 to 88 tankers in February 2024, while 81% of them were older than 15 years.
- The number of shadow fleet tankers carrying Russian oil products from Russian ports increased by 13 to 137 in February 2024, while 87% of them were older than 15 years.
- Having moved into the shadow, the tankers are not likely to be properly maintained and operated increasing the probability of environment catastrophe for which Russia will refuse to pay.

Crude oil



Oil products



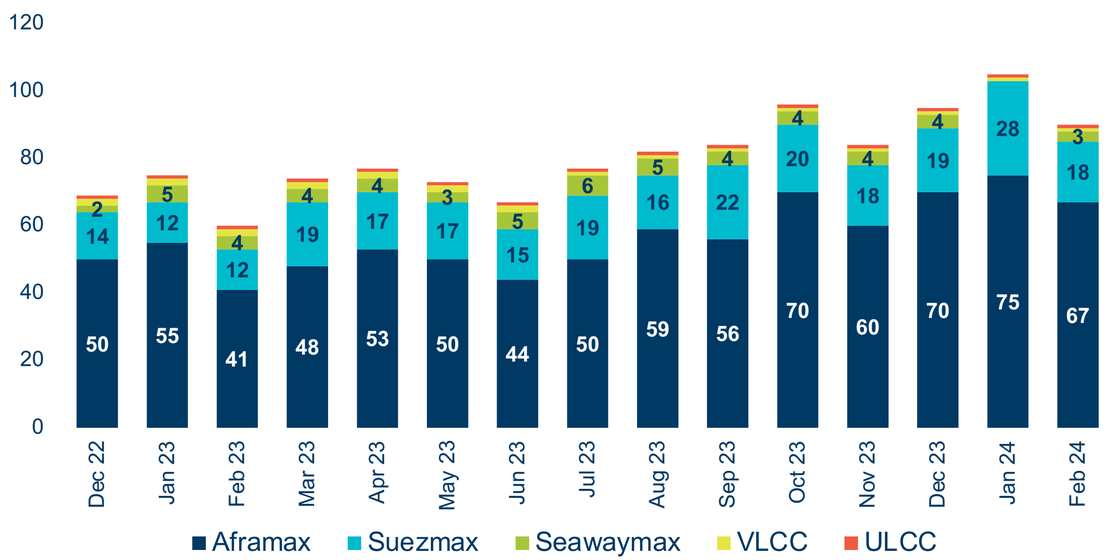
Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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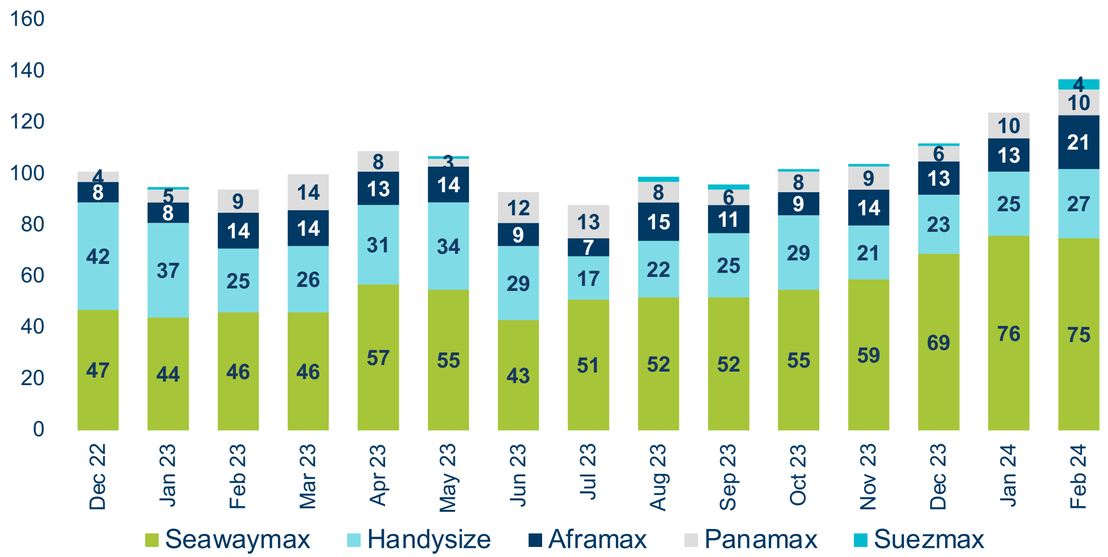
Aframax and Seuzmax are the core of Russian shadow fleet carrying crude while Seawaymax, Handysize and Aframax form the Russian shadow fleet carrying oil products.

Total Russian shadow fleet carrying oil and oil products is estimated at 227 tankers – 225 left Russian ports and 2 involved in STS transfers[1] in February 2024.

Structure of Russian shadow fleet carrying crude oil, number of unique tankers



Structure of Russian shadow fleet tankers carrying oil products, number of unique tankers



[1] Note: VLCC and ULCC are too large to load at Russian ports and are loaded trough STS transfers in the sea

Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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The share of Russian crude oil exports by shadow fleet decreased by around 6% MoM to 73% in February 2024

- Russian crude oil exports by shadow fleet decreased by 295 kb/d or by 6% MoM to 2 449 kb/d in February and its share in total crude shipments declined to 73%.
- Sanctioned by the OFAC on February 8, 2024, Oil Tankers Scf Mgmt Fzco (UAE) and connected to it Stream Ship Management Fzco (UAE) were responsible for more than a quarter of Russian crude shipments by shadow fleet.

Russian crude oil exports by shadow fleet, kb/d

Dec 23			Jan 24			Feb 24		
Ship manager	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**	**Ship manager**	**Volume, kb/d**	**%**
Other	1167	47%	**Other**	1345	49%	Other	1237	50%
UAE.Oil Tankers Scf Mgmt Fzco	608	24%	UAE.Oil Tankers Scf Mgmt Fzco	567	21%	UAE.Oil Tankers Scf Mgmt Fzco	520	21%
UAE.Sun Ship Management	193	8%	China.Prominent Shipmanagement Ltd	223	8%	UAE.Stream Ship Management Fzco	142	6%
China.Sunne Co Ltd	120	5%	China.Sunne Co Ltd	144	5%	China.Sunne Co Ltd	104	4%
China.Prominent Shipmanagement Ltd	94	4%	UAE.Stream Ship Management Fzco	136	5%	UAE.Alqutb Alshamali Marine Srvs	102	4%
UAE.Alqutb Alshamali Marine Srvs	71	3%	China.Shanghai Future Ship Mgmt Co	70	3%	China.Prominent Shipmanagement Ltd	83	3%
China.Hong Kong Hanyuan Shipping Co	50	2%	UAE.One Moon Marine Services Llc	67	2%	UAE.Almuhit Alhadi Marine Services	59	2%
China.Intercon Marine Shanghai Co	50	2%	China.Intercon Marine Shanghai Co	50	2%	China.Merluza Group Ltd	52	2%
China.Merluza Group Ltd	49	2%	UAE.Alqutb Alshamali Marine Srvs	48	2%	Mahe Island Seychelles.Loengo Shipping & Trader Ltd	51	2%
China.Shanghai Legendary Ship Mgmt	46	2%	Russia.Rosnefteflot Jsc	47	2%	China.Huihai Hong Kong Shipping Co	49	2%
China.Shanghai Prosperity Ship Mgmt	46	2%	Turkey.Beks Tanker Isletmeciligi As	47	2%	China.Shanghai Prosperity Ship Mgmt	49	2%
Total	**2493**	**100%**	**Total**	**2743**	**100%**	**Total**	**2449**	**100%**

Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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In February 2024 Russian oil products exports by shadow fleet increased by 246 kb/d and its share in total oil products shipments jumped by 10% to 52%

- Russia shipped 1 368 kb/d or around 52% of its oil products exports by shadow fleet in February 2024.
- The Beks Tanker Isletmeciligi As (Turkey), which topped the list of Russian oil products in January 2024, decreased its share from 14% to just 3%. Oil Tankers Scf Mgmt Fzco (UAE) regained position of a top ship manager as its share increased to 6%.

Russian oil products exports by shadow fleet, kb/d

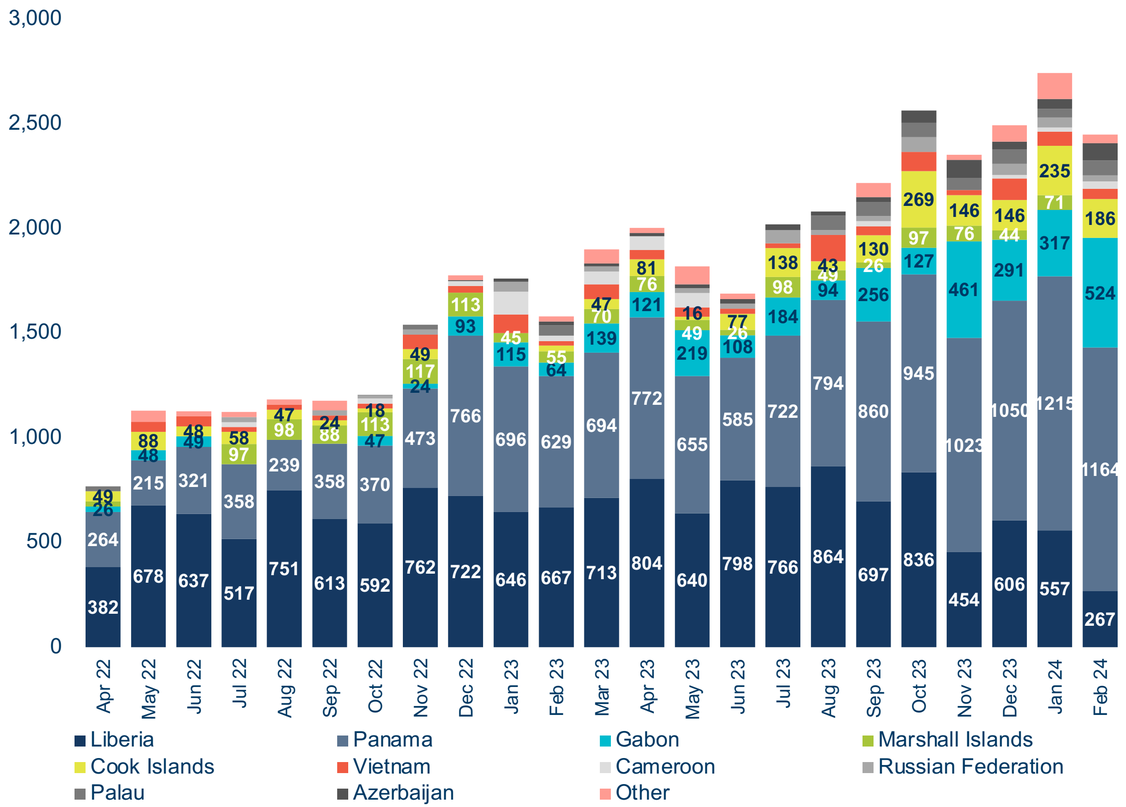
Dec 23			Jan 24			Feb 24		
Ship manager	Volume, kb/d	%	Ship manager	Volume, kb/d	%	Ship manager	Volume, kb/d	%
Other	543	59%	Other	689	61%	Other	1008	74%
UAE.Oil Tankers Scf Mgmt Fzco	118	13%	Turkey.Beks Tanker Isletmeciligi As	152	14%	UAE.Oil Tankers Scf Mgmt Fzco	87	6%
Turkey.Beks Tanker Isletmeciligi As	76	8%	UAE.Oil Tankers Scf Mgmt Fzco	48	4%	Turkey.Beks Tanker Isletmeciligi As	43	3%
Vietnam.Venus Gas Co Ltd	34	4%	UAE.Breath Shipping Services Llc	47	4%	Vietnam.Ha Trang Petrol Transportation	36	3%
Seychelles.Flaming Star Corp	24	3%	China.Chanocean Management Ltd	46	4%	Vietnam.Venus Gas Co Ltd	35	3%
Liberia.Hs Arge Ltd	23	2%	Turkey.White Tankers Gemi Islet	26	2%	Vietnam.Hung Phat Maritime Trading	34	2%
Turkey.Aruna Shipping Ltd Corp	22	2%	India.Ark Seakonnect Shipmanagment	25	2%	Marshall Islands.Eren Shipping Inc	26	2%
UAE.Oceanlink Maritime Dmcc	21	2%	India.Eastern Euro Ship Management	23	2%	UAE.Breath Shipping Services Llc	25	2%
Marshall Islands.Zeus Shipping & Marine Inc	19	2%	Turkey.Unic Tanker Gemi Isletmeciligi	23	2%	China.Octans Dorne Ltd	25	2%
Marshall Islands.Augusta Shipping & Marine Inc	19	2%	UAE.Oceanlink Maritime Dmcc	22	2%	Turkey.Aquila Shipowner Sa	25	2%
Moldova.Ksn Shipmanagement Srl	19	2%	Vietnam.Sao Viet Petrol Transportation	21	2%	Mahe Island Seychelles.Bubble Marine Inc	24	2%
Total	**919**	**100%**	**Total**	**1122**	**100%**	**Total**	**1368**	**100%**

Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

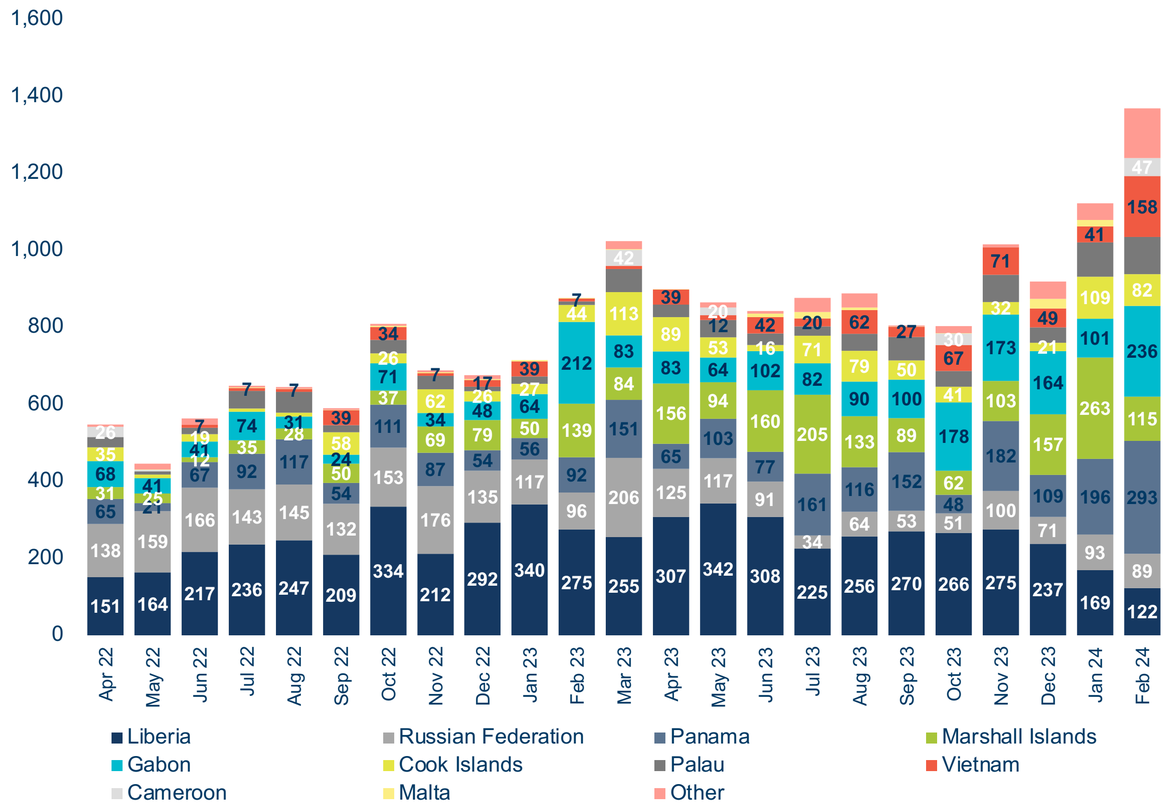
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The top-3 flags of Russian shadow fleet vessels carrying crude oil are Panama, Gabon and Liberia. For Russian oil products the top-3 flags are Panama, Gabon and Vietnam in February 2024.

Russian crude oil exports by shadow fleet by flag, kb/d



Russian oil products exports by shadow fleet by flag, kb/d



Source: Kpler, Equasis, P&I Club webpage, KSE Institute estimates

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As of March 20, 2024, the US Treasury sanctions on 41 vessels carrying out Russian crude sold above the price cap effectively hit the target by removing tankers from regular commercial service*

- Russia 29 from the list have been unloaded and have no scheduled voyages.
- 7 have been loaded but have not been moving since had no scheduled voyages.
- 4 were completing voyages as the OFAC authorized the offloading of cargo from these vessels for a 45-days period.

Vessel's name	IMO	OFAC decision	Location (15 March 2024)
Scf Primorye	9421960	12.10.2023	Ballast at Black Sea
Yasa Golden Bosphorus	9334038	12.10.2023	Ballast at Gulf of Mexico
Kazan	9258002	16.11.2023	Ballast at Japan Sea
Ligovsky Prospect	9256066	16.11.2023	Ballast at Japan Sea
Ns Century	9306782	16.11.2023	Loaded storage tank. The last download was on October 30, 2023.
Hs Atlantica	9322839	01.12.2023	Ballast at Black Sea
Ns Champion	9299719	01.12.2023	Ballast at Black Sea
Viktor Bakaev	9610810	01.12.2023	Ballast at Black Sea
Sanar 15	9777670	20.12.2023	Loaded, drifting in the Black Sea area (Don River)
Aristo	9327413	18.01.2024	Loaded storage tank. The last download was on January 8, 2024
Hai Ii	9259599	18.01.2024	Ballast at Japan Sea
Hs Arge	9299745	18.01.2024	Loaded, drifting at Mediterranean Sea
Hs Buraq	9381732	18.01.2024	Ballast at Malacca Strait
Hs Esberg	9410894	18.01.2024	Ballast at Arabian Sea
Hs Everett	9410870	18.01.2024	Ballast at Central Indian Ocean
Hs Glory	9249087	18.01.2024	Ballast at Mediterranean Sea
Hs Legend	9381744	18.01.2024	Ballast at Mediterranean Sea
Hs Star	9274446	18.01.2024	Uploaded on February 17, 2024 in Changxing, China. The final destination is unknown.
La Pride	9274616	18.01.2024	Loaded, stopped, but planned voyage from Novorossiysk
Mona	9314818	18.01.2024	Ballast at Japan Sea
Nellis	9322267	18.01.2024	Ballast at Yellow Sea

Vessel's name	IMO	OFAC decision	Location (15 March 2024)
Osperous	9412995	18.01.2024	Ballast at Baltic Sea
Peria	9322827	18.01.2024	Loaded, drifting in South China Sea
Sara Ii	9301615	18.01.2024	Ballast at Marmara Sea
Sensus	9296585	18.01.2024	Ballast at Marmara Sea
Uze	9323338	18.01.2024	Ballast at Japan Sea
Ns Leader	9339301	08.02.2024	Ballast at Black Sea
Anatoly Kolodkin	9610808	23.02.2024	Ballast at Black Sea
Georgy Maslov	9610793	23.02.2024	Ballast at Red Sea
Krymsk	9270529	23.02.2024	Ballast at Japan Sea
Liteyny Prospect	9256078	23.02.2024	Ballast at Japan Sea
Nevskiy Prospect	9256054	23.02.2024	Ballast, however, a planned voyage from the Black Sea on an unknown order
Ns Antarctic	9413559	23.02.2024	Ballast at Japan Sea
Ns Bravo	9412359	23.02.2024	Uploaded, scheduled to be released on March 24, 2024 in China.
Ns Burgas	9411020	23.02.2024	Ballast at South China Sea
Ns Captain	9341067	23.02.2024	Ballast at Black Sea
Ns Columbus	9312884	23.02.2024	Loaded, on the way to India
Ns Consul	9341093	23.02.2024	Loaded, on the way to China
Ns Creation	9312896	23.02.2024	Ballast at Black Sea
Ns Lion	9339313	23.02.2024	Loaded, on the way to China
Sakhalin Island	9249128	23.02.2024	Floating storage, stopped

Source: Kpler

KSE | Institute

After being sanctioned by OFAC Oil Tankers Scf Mgmt Fzco started actively transferring tankers to the management of another two UAE companies registered in neighboring buildings – Fornax Ship Management and Stream Ship Management Fzco. The vessels of these companies also started carrying Russian oil exports and navigated without IG P&I insurance.

IMO	Vessel	Flag	Ship manager (Former)	Ship manager address (Former)	Ship manager	Ship manager address	IG P&I insurance
9276030	Elbrus	Gabon	Oil Tankers Scf Mgmt Fzco	Address: Unit 27610 - 001, Building A1, IFZA Business Park, DDP, Dubai Silicon Oasis, Dubai, United Arab Emirates.	Fornax Ship Management	Unit 40260-001, Building A1, IFZA Business Park, DDP, Dubai Silicon Oasis, Dubai, United Arab Emirates.	-
9333412	Scf Yenisei						
9397559	Scf Angara						
9577082	Scf Prime						
9577094	Scf Provider						
9339325	Ns Laguna	Gabon			Stream Ship Management Fzco	Address: DDP 27700-001, Dubai Silicon Oasis, PO Box 342001, Dubai, United Arab Emirates.	
9610781	Nikolay Zuyev						
9413573	Ns Africa						
9341093	Ns Consul						
9610793	Georgy Maslov						
9412347	Leonid Loza						
9412359	Ns Bravo						
9413561	Ns Asia						
9411020	Ns Burgas						
9341079	Ns Corona						
9413559	Ns Antarctic						
9610808	Anatoly Kolodkin	Panama					
9309576	Ns Silver						
9354313	Zaliv Amurskiy						
9354301	Zaliv Amerika						
9360128	Zaliv Baikal						
9301380	Pavel Chernysh						
9901025	Vladimir Arsenyev						

Please see details on the change of tanker managers: Link to datasheet

Source: Equasis

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While Indian refineries announced the halt of operations with sanctioned Sovcomflot, other UAE registered companies tied to Russia immediately entered the market to substitute Sovcomflot's shipments to India.

- Stream Ship Management Fzco (UAE) is actively entering the Indian market by buying out Oil Tankers Scf Mgmt Fzco tankers.
- Star Voyages Shipping (UAE) sold its all fleet to another UAE company One Moon Marine Services Llc
- A newly established Alhadi Marine Services (UAE) purchased almost all tankers of Radiating World Shipping Servs (UAE).
- All tankers of these companies navigate with no International Group P&I insurance.

Volumes of Russian crude oil transported to India by the shadow fleet, mln barrels				
Ship manager	**Nov 23**	**Dec 23**	**Jan 24**	**Feb 24**
UAE.Oil Tankers Scf Mgmt Fzco	3,8	8,8	4,9	2,5
China.Prominent Shipmanagement Ltd	1,5	-	3,1	0,7
UAE.One Moon Marine Services Llc	0,8	0,6	1,1	0,7
Turkey.Unic Tanker Gemi Isletmeciligi	1,5	-	1,5	-
UAE.Almuhit Alhadi Marine Services	0,7	1,0	1,0	-
UAE.Stream Ship Management Fzco	-	-	1,4	1,3
Marshall Islands.Paradise Shipping & Marine Inc	0,7	1,1	-	0,7
Russia.Rosnefteflot Jsc	-	0,7	1,5	-
Turkey.Beks Tanker Isletmeciligi As	-	0,7	1,5	-
Seychelles.Trident Beauty Ltd	1,0	-	1,0	-
Marshall Islands.Blessed Shipping & Marine Inc	-	1,0	-	1,0
Moldova.Adel Ship Management Srl	-	0,7	-	1,3
Seychelles.Trident Infinity Ltd	-	0,6	-	1,0
Seychelles.Haima Shipping Ltd	-	0,7	-	0,8
Liberia.Symi Shipping Ltd	-	0,7	-	0,7
Other	14,3	14,3	20,8	13,8
Total	24,3	30,9	37,8	24,8

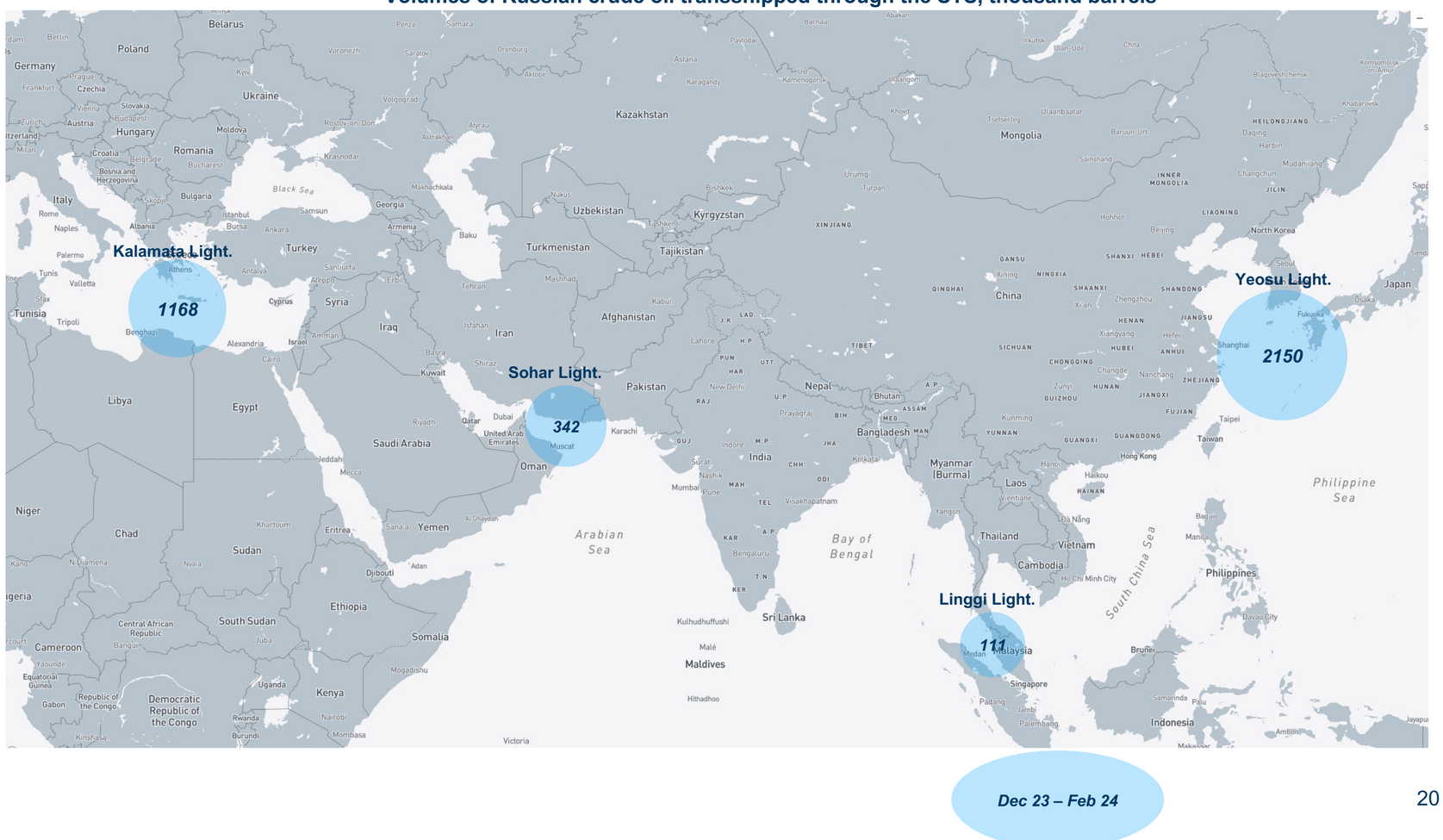
Source: Kpler

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Russia employs STS transfers to conceal the origin of the crude and breach sanctions in four regions: Kalamata Light, Sohar Light, Yeosu Light and Linggi Light

The leader in terms of STS transfers in December 2023 - February 2024 was the Yeosu Light area at the south coast of Korea. However, no STS operations were detected in this area in February after India halted Sokol grade imports

Volumes of Russian crude oil transshipped through the STS, thousand barrels



Source: Kpler

KSE | Institute

The top three regions in terms of the volume of STS transfers of Russian oil products in December 2023 – February 2024 were Kalamata Light, Pelepas Light and Dakar Light

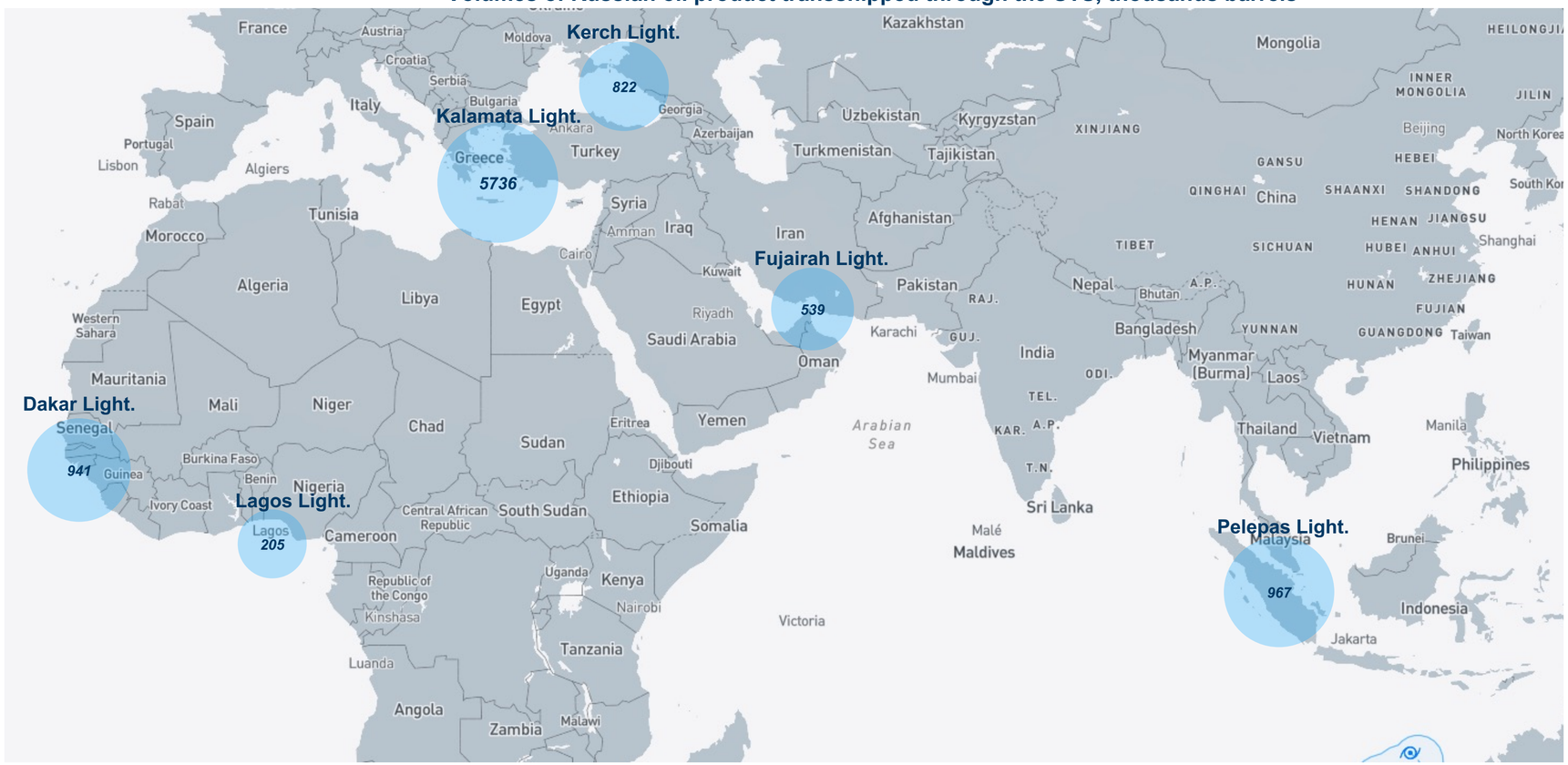
- The origin of the product after STS transfer cannot be detected.
- Russia may employ such operations to send its products to countries that imposed embargo on Russian oil products. imports
- The recent increase of STS transfers off the coast of Senegal (Dakar Light) and Nigeria (Lagos Light) needs investigation of responsible authorities.

Other volumes of Russian oil product transshipped through the STS, thousand bbl.

STS region	Dec 23 – Feb 24
Lome Light.	635
Constanta Light.	331
Damietta Light.	278
Malta Light.	230

Source: Kpler

Volumes of Russian oil product transshipped through the STS, thousands barrels



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In February 2024, more than 69 unique tankers* participated in STS transfers of Russian oil exports. 5 IG-insured tankers from these group could carry Russian oil exports sold above the price cap as they were loaded from tankers that navigated without IG P&I insurance

IMO	Vessel	Ship manager/ Commercial manager	Registered owner	Insurance 'IG' P&I Club	Product	Date Start STS 1	Zone STS	IMO	Vessel	Ship manager/ Commercial manager	Registered owner	Insurance 'IG' P&I Club
9683726	Dmitry Pokrovsky	Russia. Volgotrans Llc	Russia. Volgotrans Llc	-	SRFO	2024-02-13 04:05	Constanta Light.	9274812	New Trust	Liberia. Primary Shipping Co	Liberia. Primary Shipping Co	West of England
9640516	Vf Tanker-3	Russia. Investneftetrade Llc	Russia. Investneftetrade Llc		SRFO	2024-02-09 06:43						
9640528	Vf Tanker-4				Gasoil	2024-02-20 12:25						
					SRFO	2024-02-29 08:00						
9397547	Scf Anadyr	UAE. Oil Tankers Scf Mgmt Fzco	UAE. Mist Maritime Inc		Diesel	2024-03-06 08:45	Dakar Light.	9240445	Norah	Kuwait. Sabaek General Trading Co Wll	Kuwait. Sabaek General Trading Co Wll	AMERICANCLUB
9344100	Elijah	UAE. Mercure Marine Solutions Fze	UAE. Elijah Marine Sa		Gasoil	2024-03-10 10:19						
9273052	Danica	UAE. Glowing Sea Shipping Llc	UAE. Phoenix Shipping Inc		Dirty Feedstocks	2024-03-12 11:29	Kalamata Light.	9252333	Takma	Antigua & Barbuda. Marinerminds Maritime Ltd	Antigua & Barbuda. Marinerminds Maritime Ltd	AMERICANCLUB
9655470	Svl Unity	Marshall Islands. Unity Shipping & Marine Inc	Marshall Islands. Unity Shipping & Marine Inc		unknown	2024-03-03 12:48						
9261657	Shandong Zihe	Moldova. Surt Ship Management Srl	Moldova. Marinequest Corp		Gasoline	2024-03-08 07:30		9380051	Grace Leo	Cyprus. Cymare Shipmanagement Ltd	Cyprus. Grace Leo Shipping Ltd	West of England
9540364	Penelope	Russia. Prime Shipping Llc-Rus	Russia. Pb Norge As		Dirty Feedstocks	2024-03-03 09:45	Kerch Light.	9236975	Sredina	Turkey. Srediste Shipping Gemi	Turkey. Plcm Pte Ltd	

*** Tankers that carried out further STS operations are not taken into account.**

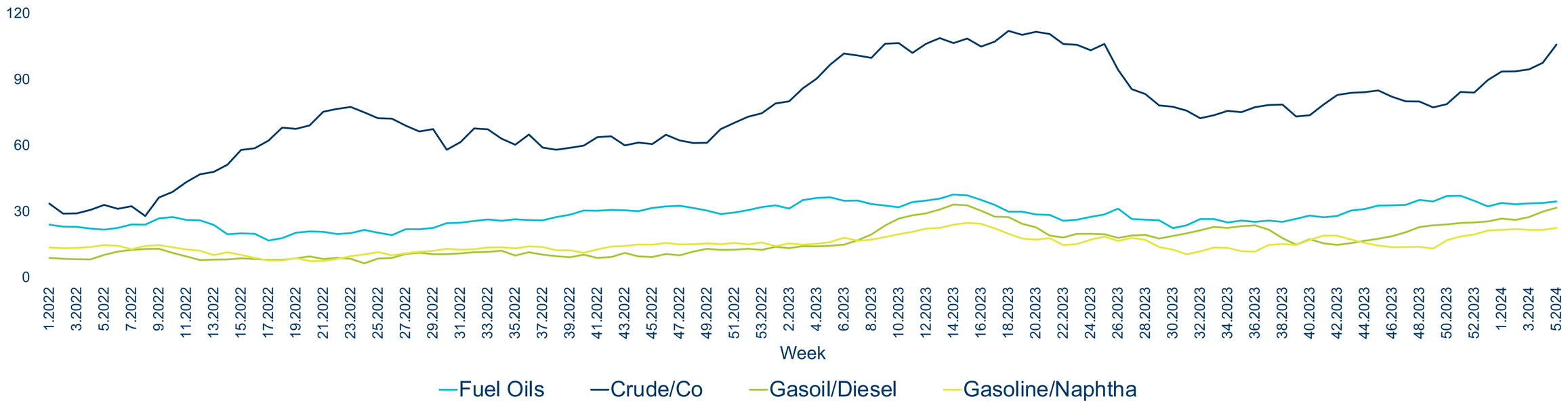
Source: Kpler, Equasis, P&I Club webpage

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In February 2024, the volume of Russian crude on water hit the record

- Rerouting of Russian crude and oil products to new destinations have significantly increased Russian oil on water.
- In February 2024, the volume of Russian oil on water* was ~132 mb or 2.7 times higher than the pre-invasion average.
- The volumes of Russian crude and diesel on water were ~3.6 and 4.0 times higher respectively vs. January 2022.

Russian oil on water, mb, average per week



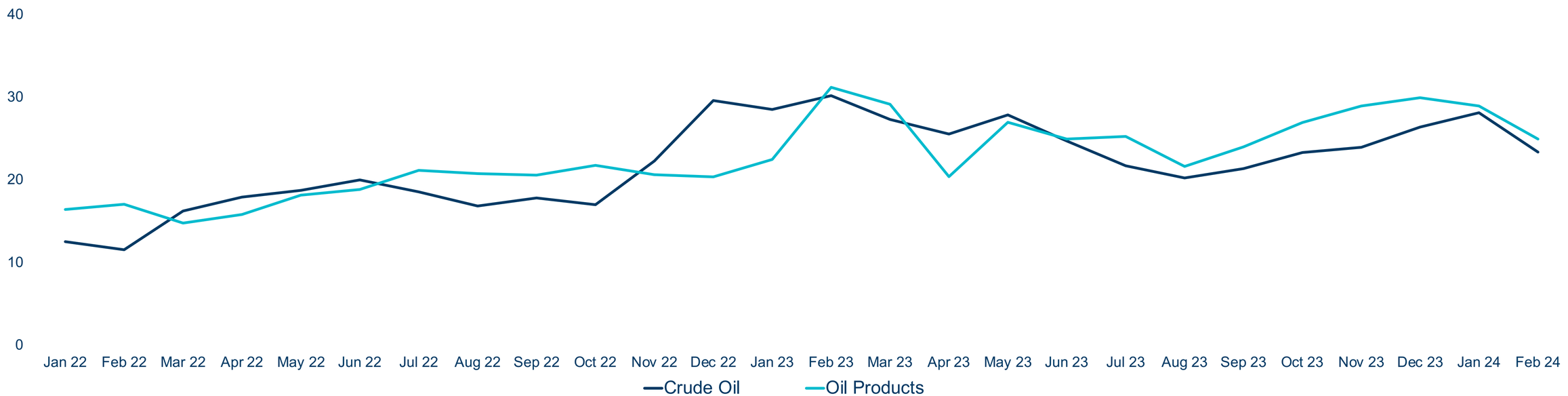
Source: Kpler, KSE Institute estimates
* Russian oil on water includes crude and oil products

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In February 2024 average transit days of crude and oil products stayed 86% and 52% respectively higher vs. January 2022, but decreased vs. January 2024

- Rerouting crude oil from Europe to mostly India and China increased the average transit days for crude oil from 13 in January 2022 to 30 in February 2023 but decreased to 23 in February 2024.
- The average transit days for oil products increased from 16 in January 2022 to 31 in February 2023 but declined to 25 in February 2024.

Monthly average transit days of crude oil and oil products from Russia



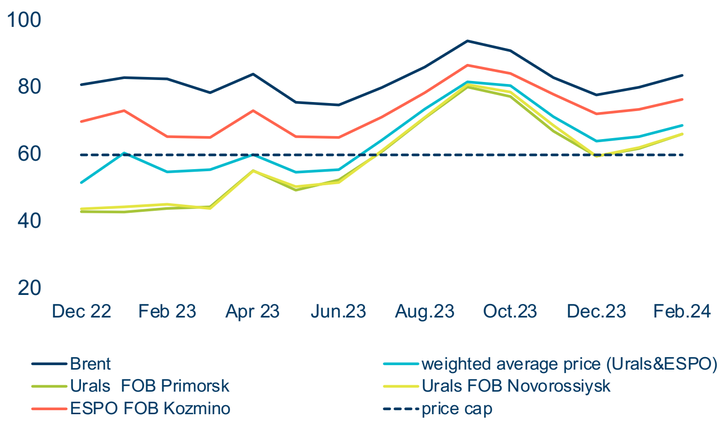
Source: Kpler, KSE Institute estimates

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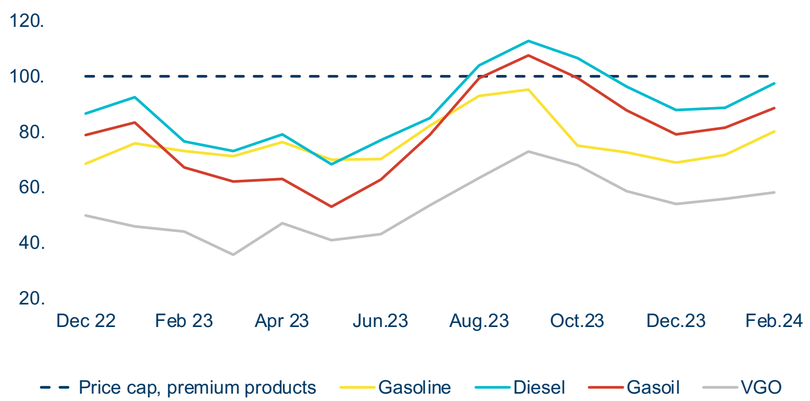
In February 2024, Urals FOB Baltic and Black Sea increased by ~$4/bb to $66/bbl, while ESPO FOB increased by ~$3/bbl to $77/bbl. The discount of Urals and ESPO to Dated Brent changed little over previous month

- In February 2024, Urals FOB Baltic and Black Sea increased by 4.3/bbl and 4.1/bbl to around $66/bbl.
- The discount on Urals FOB Baltic and Black Sea decreased by around $0.8/bbl and was estimated at $17.5/bbl. The freight rates from Primorsk to West Coast India stayed flat at around $12/bbl since December after the gradual increase to this level from $7.4/bbl in early October.
- ESPO FOB increased by $2.9/bbl to $76.5/bbl while the discount to Dated Brent widened by around $0.6/bbl MoM.
- Prices for Russian diesel increased to $97.5/bbl to around $2.5/bbl below price cap. The price of gasoline increased by $8.5/bb to $80.1/bbl while gasoil increased by $7.1/bbl to $88.6/bbl MoM. The price of VGO which had to be placed to discounted products instead of the premium ones increased by $2.3/bbl to $58.2/bbl MoM in January.
- Price for fuel oil and naphtha increased by $4.1/bbl and $6.2/bbl to $44.7/bbl and 52.1/bbl MoM. The average price of naphtha has exceeded the approved price cap for discounted products at $45/bbl since August 2023.

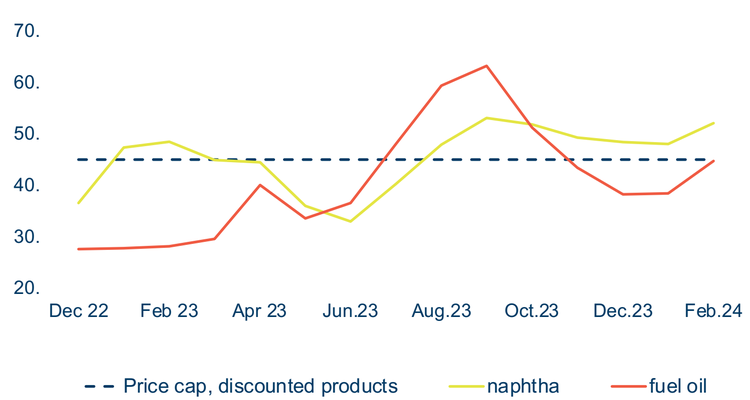
Russian Crude FOB Export Prices



Russian Premium Products FOB Export Prices



Russian Discounted Products FOB Export Prices



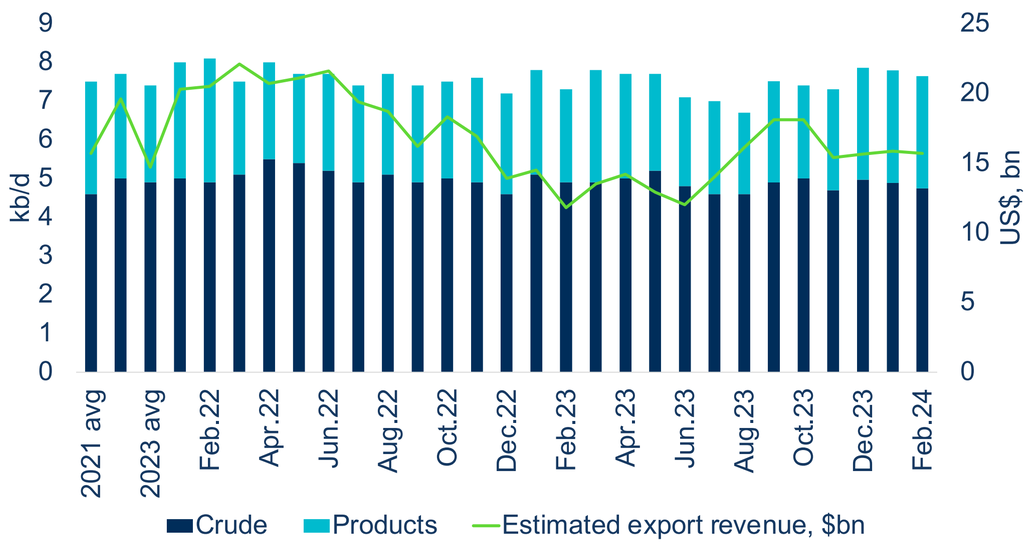
Source: IEA (2023), Oil Market Report – February 2024, IEA, Paris, WB Commodity Prices (Brent)

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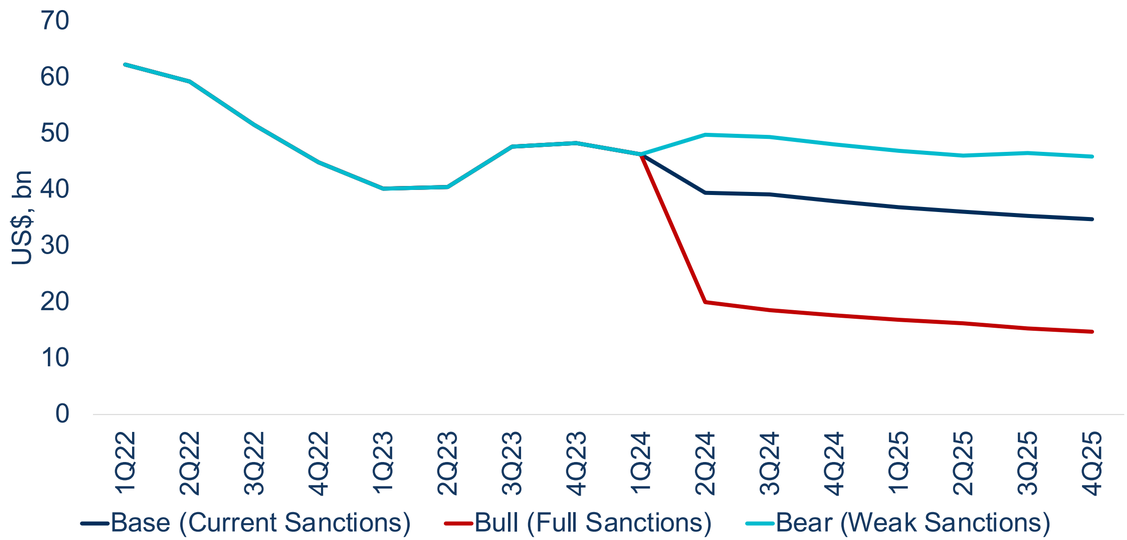
In February 2024 Russian oil export revenues declined marginally to $15.7 bn. KSE Institute projects revenues to contract to still robust $163 bn and $143 bn in 2024 and 2025 respectively, but the scenario outcomes are sensitive to sanctions enforcement

- Russian oil export revenues decreased marginally to $15.7 bn in February as the impact of lower export volumes was only partially compensated by higher export prices.
- The KSE Institute projects that in the base case with current oil price caps and status quo of sanctions but their stronger enforcement, revenues will contract to $163 bn and $143 bn in 2024 and 2025 respectively compared to $218 bn and $176 bn in 2022 and 2023, respectively. Total Russian oil exports goes down to 7.1 mb/d.
- In the bull sanctions case, with lower price cap equivalent to $50/bbl discount to forecast Brent prices, revenues are expected to fall to $103 bn and $63 bn in 2024 and 2025, respectively. Total Russian oil exports goes down to 5.9 mb/d in this scenario.
- On the contrary, in the bear case, with US$ 10/bbl discount to forecast Brent prices, and less decline in oil export volumes, revenues will increase to robust $194 bn and $186 bn in 2024 and 2025, respectively. Total Russian oil exports amounts to around 7.5 mb/d in this scenario.

Russian Oil Exports and Revenues, kb/d, US$ bn



Russian Oil Earnings by Scenarios, US$ bn



Source: IEA Oil Market Reports, KSE Institute estimates

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Policy Recommendations

Bold measures are needed as Russia's oil is slipping beyond G7 reach.

The Q4 2023 data suggest that problems with price cap implementation and enforcement are much bigger than previously expected. To ensure that sanctions continue to constrain Russia's ability to wage its war of aggression on Ukraine—and that their credibility is maintained—additional steps urgently need to be taken. Below, we outline three critical measures that can quickly and effectively address Russian effort to evade sanctions on its oil exports.

1. **G7/EU countries should ensure that their authorities have sufficient proof of compliance with the price cap,** including by: a) leveraging the involvement of G7/EU financial institutions in the Russian oil trade and their knowledge of key transaction details such as prices; b) requiring attestations to be provided by reputable entities defined via transparent criteria and subject to sanctions in the case of violations or their facilitation; and/or c) stepping-up of documentary evidence requirements for G7/EU service providers under the current system (including original sales contracts, etc.).
2. **EU coastal states should leverage geographical "choke points" to limit Russia's use of a "shadow fleet"** of tankers by requiring proper spill insurance for vessels' passage through their territorial waters, including in the Baltic Sea and Mediterranean. This would force Russia to rely once again on G7/EU services for a substantial share of its exports and also help address environmental risks that have emerged due to the increasing use of old and under-insured tankers. For this purpose, a system to allow for timely and efficient verification of insurance information should be established.
3. **Price cap coalition countries should step up penalties on entities that violate the price cap.** For G7/EU companies, this should include tougher monetary penalties and expanded lockout periods. For third-country actors, price cap coalition countries should impose "direct" sanctions (e.g., SDN listing in the United States or use of the European Union's anti-circumvention tool established in the 11th package) and consider the application of extraterritorial ("secondary") sanctions, leveraging the continued critical importance of its financial system for internationally operating businesses.

[1] Please see for analysis and detailed recommendation: The International Group of Working Sanctions, September 4, 2023, Using Energy Sanctions to Shorten the War, Working Paper #14, https://fsi9-prod.s3.us-west-1.amazonaws.com/s3fs-public/2023-09/working_paper_14_-_using-energy-sanctions_09-04-23.pdf