



Zarubezhneft held one more export crude auction at the OTC platform by SPIMEX

On December 3 2020 one more auction for the export sale of URALS crude was held at the auction platform of the Saint Petersburg International Mercantile Exchange (SPIMEX). JSC Zarubezhneft sold 300,000 tonnes of crude oil with FOB Primorsk delivery in the first quarter of 2021.

The auction in December of this year was the second such procedure, the first one was held earlier in September. As a result the oil company achieved a 50% price differential improvement to the pricing formula.

Zarubezhneft has been using SPIMEX services since December 2014, during that period the company has sold for export over 9.1 million tons of crude.

The December auction traditionally had two stages and 7 participants made 20 steps, which significantly improved the offer of the first stage of the procedure, held in the closed bid submission mode.

That auctions experience at the OTC platform has shown the efficiency of the open crude oil sale procedures, as well as its convenience for remote operations. Zarubezhneft plans to continue this practice.

The use of online auctions for the sale of crude oil for export is an important step towards developing independent national price indicators and creating a pricing mechanism for Russian oil based on real physical transactions.

Zarubezhneft JSC is a Russian oil and gas company of strategic importance having rich history and unique 50-years long experience of external economic activities. Its projects include operations offshore Vietnam in the framework of the joint venture Vietsovpetro, development of fields in the Nenets Autonomous Area in the framework of the joint company RUSVIETPETRO and Kharyaga field PSA, application of technologies for the development of fields in Cuba and activities in the downstream segment in the Republic of Srpska (Bosnia and Herzegovina).

The Saint Petersburg International Mercantile Exchange (SPIMEX) is Russia's largest commodity exchange offering a wide range of products traded both in its Commodities Section (refined oil products, crude oil, natural gas, LPG, timber and construction materials, fertilizers) and in its Derivatives Section. The Exchange's key task is to operate a transparent, fair and efficient price formation mechanism for Russian commodities. SPIMEX was founded in 2008.