# Future of Russian Oil and Gas:

# Leaving the West

Scenarios and Expected Impact

on

Crude and Gas flows and Oilfield Services

**REnergyCO** 

# **About Report**

**Includes:** 170 slides, most containing 3 figures (see the last slide for sample presentations). Three hours of zoom discussion are included.

**Delivery:** Protected PDF file by email. Selected data in excel may be requested.

**Price:** \$3900/00 (USD)

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# Content

1. Global context

Global production shares, Russian export, and sanctions impact history

#### 2. Scenarios' description

Key factors moving forward, impact on production, refining throughput, and export

#### 3. Export crude and petroleum products from Russia

Export routes and economics review. Export bottlenecks and impact on production

#### 4. Crude production and activity levels by regions and companies in 2010-2022

Crude and gas production. Producing wells. Development and exploration drilling. Sidetracking. New wells completions. Workovers/well-servicing jobs. Fracturing. Comparative data points

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#### 5. Oilfield Services Market by segments in 2010-2022

Market segments included: Development drilling vertical, Development drilling horizontal, Exploration drilling, Prospecting drilling, Rig transport (mobilization)/Rig assembly, Drill bits and bits program supervision, Turbines, Drilling fluids, MWD/LDW, Rotary Steering Systems, Pressure pumping, Cementing, Hydraulic fracturing, Coiled Tubing, Wireline services, Open hole logging, Cased hole logging, Perforation, Completion (crews only), Well servicing/workovers, Sidetracking (crew time), Seismic, Artificial Lift Systems, Casing. Selected segments on slides with comparative analytics

#### 6. Scenario "F" – production, drilling, and other activities, OFS market till 2030

Crude and gas production. Producing wells. Development and exploration drilling. Sidetracking. New wells completions. Workovers/well-servicing jobs. Fracturing. Comparative data points

Market development forecast with slides on selected segments

#### 7. Scenario "S" – production, drilling, and other activities, OFS market till 2030

Crude and gas production. Producing wells. Development and exploration drilling. Sidetracking. New wells completions. Workovers/well-servicing jobs. Fracturing. Comparative data points

Market development forecast with slides on selected segments

#### 8. Upstream structure - Oil Companies

Large companies' historical revenues, profit, CAPEX, a sample calculation of a large company's key financial attributes

#### 9. OFS industry brief description

History, competitive environment, market shares, largest drilling companies, Western Majors role, probable evolution of the industry in the new environment

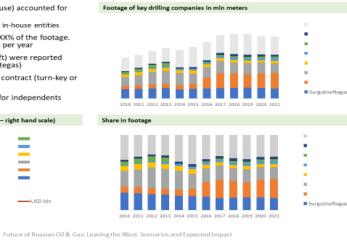
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# **Sample slides**

#### Drilling segment – key players

- Top-five drilling companies (including in-house) accounted for about XX% of the footage
  - About XX% of the footage was drilled by in-house entities
- The largest independent EDC with about XX% of the footage. Other large drillers drill about X min meters per year
- Revenues of some in-house entities (Rosneft) were reported while others are fully integrated (Surgutneftegas)
- Revenue per meter depends on the type of contract (turn-key or day rate).
- The general trend was toward the day rate for independents





Crude and condensate production 2023-2030 (mln tons per annum)

N Caucasus

Timan-Pechora

East Siberia

Volga-Urals

KHMAD and Tomsk

YANAD

Offshore\*

# Revenue of the largest in 2003-2021 in \$ bln and total in RUR trillion

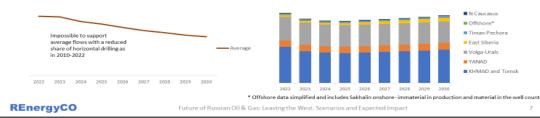
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#### Regional crude and condensate production and wells 2023-2030 - Slow scenario

- · Crude and condensate production minus xx mt
- Producing well count probably will decline by about xx% due to optimization in 2023-2025.
  - Sharper reduction is possible based on commercial logic (closing low productivity high water cut wells)
     However, commercial logic is not going to work as it did not work in 2020
  - Cost of keeping a well producing is not a concern
- Average daily flow will decline along with fewer new wells drilled in 2023-2025
- Key trend simplification of services and lower productivity but also cheaper wells
- New drilling of simpler wells will lead to an increased number of lower-productivity wells in the stock

#### Average daily flow of a well in Russia (crude and condensate in tons a day)

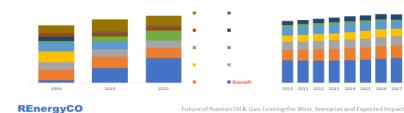


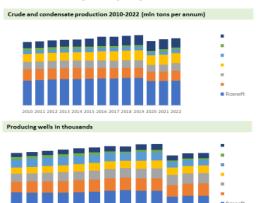
oducing wells in thousand

#### Crude and condensate production and wells 2010-2022 by company

- Rosneft was a very small producer in 2004
- Industry has undergone significant restructuring in 2010-2022 mostly by consolidating assets in the state's hands
  - TNK sold to the state-owned Rosneft
    Bashneft sold to Rosneft
- Rosneft offloaded assets to NNK in reverse nationalization (privatization)
- Since 2018 industry is in full control of the state (directed by the top production cuts, employment policies and etc.)

#### Changing ownership 2004 to 2022 (crude and condensate mt)





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