

Russia's compensation production cuts

OIL TRACKER. The cuts will be made to account for the overproduction

Bloomberg

Russia plans to make extra crude production cuts to compensate for pumping above its OPEC+ quota in October and November this year, then between March and September of 2025.

The compensation cuts will be made to account for overproduction that has occurred from April, Russia's Energy Ministry said in a Telegram statement.

"Russia overproduced in June but every month starting from April, the output level has been decreasing," according to the statement.

"Russia will resolve the overproduction issue in July and will fully meet its requirements."

Russia's total compensation cuts over the period will amount to almost 15 million barrels, according to figures provided by Organisation of Petroleum Exporting Countries (OPEC) in a



separate statement. Russia, the largest crude producer among the OPEC and its allies, has also been one of the group's principal laggards in implementing the supply agreement intended to shore up global prices.

KEY LAGGARDS

Ever since the start of its cooperation with OPEC, Russia has said it can't cut production significantly in late autumn and winter due to

the geology of its oil fields and climate conditions.

Fellow OPEC+ laggards Iraq and Kazakhstan are also set to compensate for excessive output through September 2025. Total compensation from Iraq will amount to about 36 million barrels, with about 19 million barrels coming from Kazakhstan, according to the OPEC statement.

Unlike Russia's schedule, which skips a few months, the up-

dated compensation plans for the other two nations envision regular monthly cuts between July 2024 and September 2025.

Internal OPEC+ documents, compiled for the group's monitoring committees, show that members had a poor track record of compensating for overproduction in previous rounds of cuts in 2021.

Earlier this month, Russia mulled making the compensation cuts in Summer and early fall for technological reasons, while also ensuring its domestic fuel market will be well-supplied during the cold months, according to people familiar with the discussions.

The extra curbs are expected to happen at Western Siberian fields, where production can be regulated, the people said at the time. That is Russia's more mature oil province, producing lower-quality oil than East Siberian projects pumping the premium ESPO crude blend.

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IGL announces Q1 result

Indraprastha Gas Limited (IGL), the largest CNG distribution company of the country, operating City Gas Distribution networks across 30 districts in eleven geographical areas across four states of Delhi, Uttar Pradesh, Haryana and Rajasthan on 24 July, announced its financial results for the first quarter of FY'25, while continuing the growth momentum.

As per the unaudited Q1 results announced by the company for the quarter ending June 2024, IGL registered an overall sales volume growth of 5.3%

over the corresponding quarter in the last fiscal, with the average daily sale going up from 8.20 mmscmd to 8.64 mmscmd. The net profit for the quarter ending June 2024 is Rs 401.45 crore as compared to Rs 438.50 crore in corresponding quarter of last fiscal.

However, the net profit has increased sequentially from Rs 379.58 crore in Q4 of FY 23-24 to Rs 401.45 crore in Q1 of FY 24-25. These are stand-alone results for IGL only and do not include profits accruing from associate companies.