

MNI: Impact for Russian Energy as Drone Strikes Persist

By Andrew Couper (18/09/2025)

Ukrainian strikes on Russian energy infrastructure have mounted since early August which is having wider reaching consequences for both the oil and oil products markets. See the summaries below of the key areas of interest:

Refinery strikes September 18:

- **Lukoil Volgograd refinery:** Ukraine's special forces claimed an attack on the refinery, adding "preliminary information indicates that the refinery's operations have been halted," via Telegram. Wires have been unable to verify the claim with little other information at present. (Crude processing capacity of ~300kbd)
- **Gazprom's Neftekhim Salavat petrochemical refinery:** was set on fire after being hit by drones, local governor Radiy Khabirov said. Latest headlines citing the governor say that refinery operations continue as normal. (Crude processing capacity of ~200kbd)

The rate of Russian refineries being struck is the highest since the conflict began. Strike counts according to Bloomberg:

- **September strike total:** six
- **August strike total:** thirteen

Infrastructure Strikes:

Last week, drones also hit Russia's largest Baltic oil terminal in Primorsk, and Ukraine claimed strikes on pumping stations feeding another Baltic hub, the Ust-Luga terminal.

- Crude and diesel exports from Primorsk resumed partially on Saturday according to Reuters sources but repairs are ongoing and the timeline for full recovery remains uncertain.

Impacts for Russian Energy:

Western Facing Crude Loadings:

Russia has increased its planned September oil loadings from the Baltic Port of Ust-Luga and the Black Sea's Novorossiisk Reuters sources said. It comes following disruptions at Primorsk following recent Ukrainian drone attacks.

- As well as the Primorsk attack, Russia has higher oil volumes available because of persistent attacks on its refineries since early August.

- Ust-Luga is now expected to load at least 500,000 bpd, or 2 million tonnes, up from an initial plan of 1.5 million tonnes, the sources said.
- Novorossiisk is set to load approximately 750,000 bpd, or 3.1 million tonnes, an increase of 350,000 tons from the original plan.

Russian Refining:

Russia's oil refineries processed an average of 4.97m b/d on Sep. 4-10, little changed from the first days of the month, Bloomberg reports citing a source with knowledge of industry data.

- Crude processing in the first 10 days of September also averaged around 4.97m b/d. The rate is more than 70k b/d below levels in late-August.
- Note that the data does not reflect the impact of attacks on the Saratov, Kirishi and Bashneft refineries from Sep. 13 to Sep. 16, according to Bloomberg. It also does not include the September 18 strike on Volgograd if it has been disabled – still unconfirmed at time of writing.
- While Ukrainian drone strikes have disrupted operations at several refineries, producers have managed to bring back some capacity after repairs.
- Lukoil's Volgograd plant, attacked twice in August, has resumed crude processing.
- Rosneft's Saratov facility ramped up runs in early September and processed more than 100k b/d on average on Sep. 4-10.
- Rosneft's Syzran and Kuibyshev refineries in the Volga region, as well as the independent Novoshakhtinsk facility, remain offline after strikes in August.
- The Ilsky refinery, last attacked Sep. 7, cut flows by a third to around 80k b/d.
- The Angarsk refinery in east Siberia has halved crude throughput, potentially because of seasonal maintenance.
- Recent Ukrainian drone attacks shut down facilities accounting for at least 17% of Russia's oil processing capacity, or 1.1 million barrels per day, according to Reuters' calculations in early September.

Russia Close to Cutting Oil Output amid Drone Attacks

Russia's oil pipeline monopoly Transneft has warned producers that output may need to be cut after a wave of Ukrainian drone strikes damaged key export ports and refineries, according to Reuters on Tuesday.

- Since August, Ukraine has intensified attacks on Russian energy infrastructure to undermine Moscow's war financing.
- Drones have hit at least 10 refineries and struck the Baltic ports of Ust-Luga and Primorsk, temporarily halting operations.
- At one point, Russia lost nearly a fifth of its refining capacity.
- With Transneft handling over 80% of Russia's crude, further damage could limit its ability to accept oil, forcing producers to cut output.
- Russia has little storage capacity, leaving it vulnerable to disruptions.

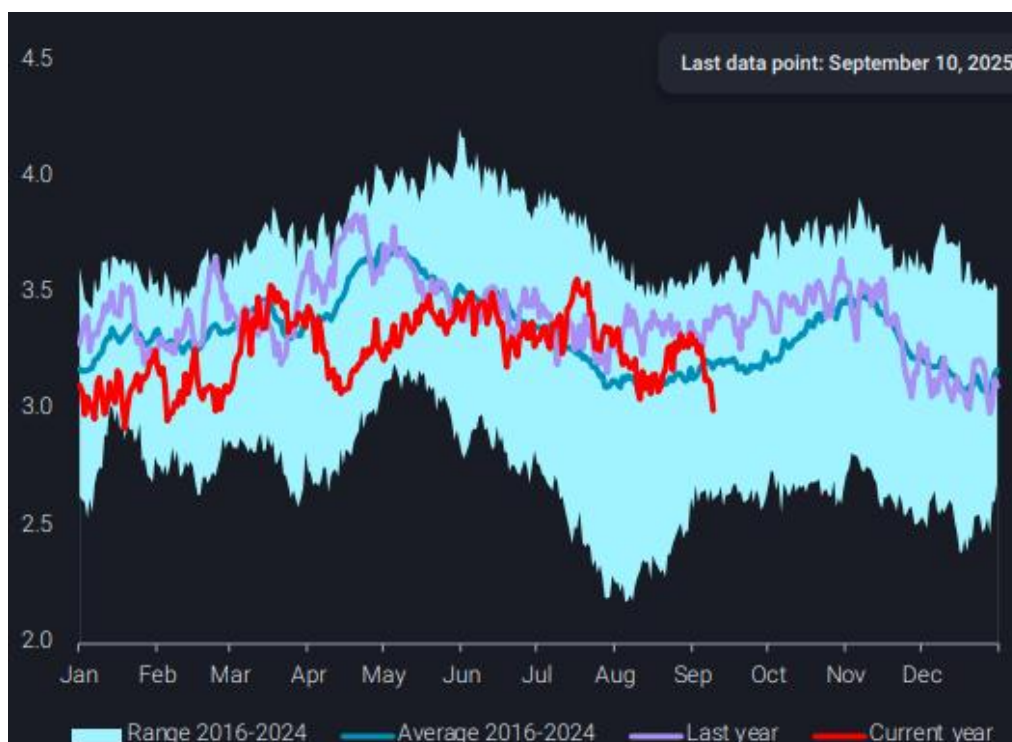
- Analysts at J.P. Morgan and Goldman Sachs warned that ongoing strikes could restrict Russia's ability to raise production under OPEC+ agreements.

Novatek Ust-Luga Shutdown Cause Gas Condensate Diversions

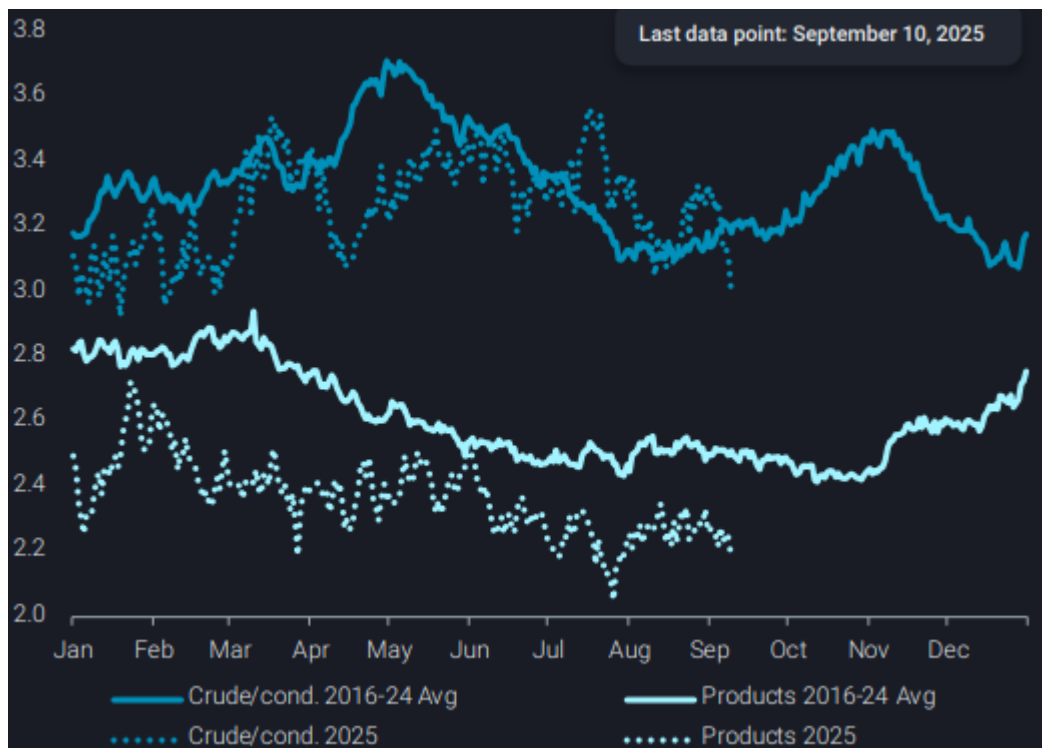
Russian gas producer Novatek supplied about 70k tons of gas condensate to Novorossiisk in September amid the shutdown of its Ust-Luga gas condensate complex, Reuters reports citing two sources.

- A drone attack caused a fire on Novatek's complex early on Aug. 24, leading all operations, including fuel export loadings, to be fully shut for several days.
- Late in August, operations were partially restored.
- The Ust-Luga complex refines stable gas condensates into light and heavy naphtha, jet fuel, fuel oil and gasoil.
- The shutdown of two of three processing units forced the company to resume gas condensate exports.
- The condensate was part of a 140k ton cargo loaded on the vessel Tataki on Sep. 16 from Novorossiisk, the sources said.
- It was blended with crude oil supplied by CenGeo and exported as Siberian Light.
- The final destination of the cargo was not clear but one source said it may be heading to India.

Russia seaborne crude/condensate exports, 28-day moving average (mbd) – Source: Vortexa (Russian seaborne crude/condensate exports fall below the 9-year average)



Russia seaborne crude/condensate and refined products exports 2016-24 average and 28-day 2025 moving average (mbd) – source: Vortexa (Refined product exports hit new lows)



Russian seaborne crude exports fell y-o-y for most of 2025 due to two key factors according to Vortexa:

- Repeated sanctions rounds, particularly vessel designations by OFAC that targeted Far Eastern trade, tightened fleet availability significantly. Although ESPO exports stayed firm due to fleet reshuffling, Urals trade remains largely reliant on Greek operators, whose August involvement hints to hesitation around the impending dynamic price cap.
- 3+ years absence of foreign investment in Russia's energy sector created a challenging environment for oil production sites.

****See also**:**

MNI: Soaring Russian Diesel Prices Could Motivate Export Ban

- Amid recent waves of Ukrainian drone strikes on Russian refineries, Russian wholesale diesel prices have reached their highest so far in 2025 and are now approaching record levels last seen in August 2023, according to Kommersant.
- Given Russia's domestic diesel pricing is now at a near-record level, the government could once again consider a diesel export ban, last seen in 2023.
- Full report:
https://media.marketnews.com/MNI_Soaring_Russian_Diesel_Prices_Could_Motivate_Export_Ban_b79656f7fa.pdf