

Russia's oil production reached 16-month high before Opec+ deal

Russian oil production rose to a 16-month high in June, ahead of the country's agreement with Opec to ease restrictions on output.

The nation's oil companies pumped about 11.06mn bpd, 90,000 more than in May, preliminary data from the Energy Ministry show. Some of its biggest producers had pushed for a relaxation of output curbs long before Russia's key June 23 meeting with Opec, arguing that prices had risen too far. June's figures show that Russia breached its output quota – set at 10.95mn bpd in the original 2016 Opec+ deal – for a fourth consecutive month.

It's not the only country to raise supply: Saudi Arabia ramped up crude exports last month and is preparing to pump a record amount in July, according to people briefed on the country's energy policy.

Rosneft, Russia's largest oil company, drove the nation's output higher as its Yuganskneftegaz projects in west Siberia pumped more than last year, according to the ministry data. The explorer's assets, excluding those of Bashneft and joint ventures, produced just under 3.9mn bpd last month, 3.3% higher than a year earlier and up 1.6% from May. The Organization of Petroleum Exporting Countries and its allies agreed to increase production by about 1mn bpd starting July 1. Russian Energy Minister Alexander Novak said his country could add as much as 200,000 bpd, though later indicated the figure was preliminary and actual volumes supplied would depend on the capacity of other nations to raise output. Russia's production data, e-mailed yesterday by

the ministry's CDU- TEK statistics unit, show June output rose 1.1% from a year earlier.