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Russia's Rosneft to supply oil to Essar refineries

BS REPORTER

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Russia's Rosneft on Thursday signed an oil and oil products supply deal with Essar Oil refineries in India. The deal is to supply 10 million tonnes (mt) crude oil per annum for a period of 10 years. Supplies might begin in 2015.

While Essar Oil will secure long-term supply of crude oil, raw material security and products to its refineries,

the arrangement will allow Rosneft to expand its distribution area and build deliveries to the region. Head of Rosneft head Igor Sechin and Essar founder Shashi Ruia signed documents on Thursday in New Delhi in this regard.

Rosneft is the world's largest public oil and gas company by liquid hydrocarbon production and reserves.

"The agreement opens new horizons of cooperation between the two countries, thanks to the synergistic potential

of the partnership in upstream and downstream areas of two leaders of the oil and gas industry of Russia and India. Thanks to this agreement, Rosneft grants itself a secure market outlet of oil and oil products, while Essar gains a reliable and stable partner as a supplier of oil and oil products to its refining facilities," Essar Oil stated.

Essar Group has also secured a \$1-billion credit line from the Russian government controlled VTB Bank. The

credit is extended for general corporate purpose, said a statement from the Press Information Bureau.

Analysts said securing crude oil supplies from Russia will help Essar reduce its imports from Iran. Essar is heavily dependent on crude oil imports from Iran for its 400,000 billion barrel per day refinery in Vadinar, Gujarat.