

Russia's energy sector in February 2026

Attacks

In February, there were 5 attacks by the Ukrainian Armed Forces on oil refineries, 4 attacks on substations, and 4 attacks on power plants. There were also at least 3 attacks on oil transportation systems. In general, the intensity of attacks in February remained at the January level. However, data has emerged suggesting that the available information does not reflect the actual situation.

For example, on his Telegram channel, Robert Brovdi (call sign: Madiar), commander of the Ptakhi Madiara special forces unit, published a list of targets struck since the beginning of the year.¹ Some of these targets had not been mentioned before, which suggests that certain attacks on Russian energy infrastructure go unnoticed. Therefore, we are beginning to analyze the overall situation more closely and examine the most significant incidents in terms of their impact on Russia's energy sector.

For example, in the oil supply sector, the attack on the Kaleykino station can be considered the most successful. This is a key station in the oil pipeline system. Oil from different fields in Russia has varying characteristics. When purchasing a specific grade of oil (in this case, Urals), it is important for buyers to receive a product with consistent specifications every time.

It is at the Kaleykino station that oil from various fields in Western Siberia, Tatarstan, Udmurtia, and Bashkiria is delivered, where it is blended in the necessary proportions to ensure consistent quality. The oil is then pumped into the Druzhba pipeline and delivered to several refineries in

Russia, as well as to Belarus and for export to Hungary and Slovakia.

It is also difficult to analyze attacks on energy facilities in border regions, particularly in Belgorod and Rostov regions. Reports of attacks are received every few days, but the targets are not disclosed, and the intensity of the strikes sometimes makes it impossible to determine the consequences of each individual attack. Meanwhile, in Belgorod, power, heating, and water outages are already becoming an everyday reality. In some areas, they have even begun draining water from the heating system. This indicates a risk of water freezing in the pipes, which usually occurs

only during very prolonged heating outages.

Separately, we would like to mention the situation regarding oil exports via the Druzhba pipeline. It was reported that on January 27, during an airstrike, Russia damaged the pipeline infrastructure on the territory of Ukraine, resulting in the suspension of oil transportation through its territory.

The extent of the damage remains unknown. Ukraine has already postponed the date for resuming transit several times, and there may be a political component to these decisions. On the other hand, Ukraine is making significant efforts to reduce Russian oil exports, and if Russia

¹ https://t.me/robert_magyar/1984

itself has damaged its export pipeline, Ukraine has little incentive to expedite the restoration of transit.

Especially since Hungary and Slovakia can receive oil via Croatia. Croatia stated² its readiness to organize deliveries through the port of Omišalj, with further transport via the Adria pipeline. At the same time, Hungary and Slovakia insist on purchasing specifically Russian oil, whereas Croatia refuses to accept and transport Russian oil but is ready to pump any other oil for these countries. This shows that Hungary and Slovakia's purchases of Russian oil are more a matter of political choice and a desire to buy cheaper oil than of technical dependence on supplies via the Druzhba pipeline. It later became known that Slovakia had begun purchasing oil from Saudi Arabia.

At the same time, threats were made to halt oil product supplies from Hungary and Slovakia to Ukraine and to stop emergency electricity supplies. However, the volume of oil product supplies from these countries is small, and there are virtually no emergency electricity supplies to Ukraine. Moreover, EU legislation prohibits any administrative restrictions on commercial electricity supplies.

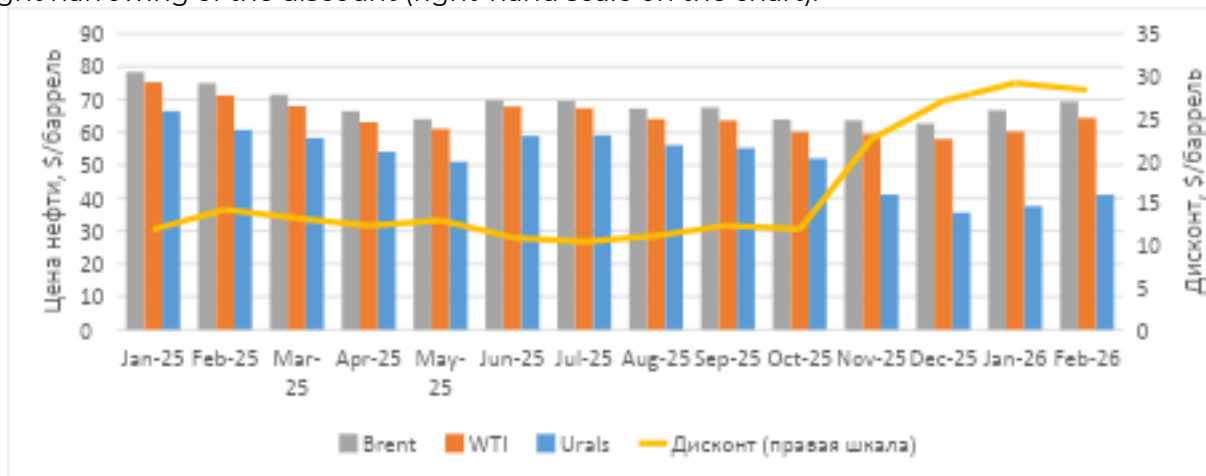
Belarus

Belarus also earned revenue from oil transit through its territory. On February 1, new tariffs for oil transit were approved.³ The tariff for transportation along the Unecha (Vysokaye) – Belarusian-Ukrainian border section is 262.99 Russian rubles (9.81 Belarusian rubles or \$3.36) per ton.

The average volume of oil transported to Slovakia and Hungary was about 200,000 barrels per day, or about 27,000 tons. Thus, Belarus's losses from the suspension of transit could amount to about \$91,000 per day.

International situation

Oil prices rose slightly in February amid expectations of military action in Iran. Prices for Russian Urals crude also rose, and in fact rose even higher than for other grades, leading to a slight narrowing of the discount (right-hand scale on the chart).



Oil production in Russia continues to decline. Although quotas under the OPEC+ agreement have remained unchanged for the past three months, Russia has been producing about 400,000 barrels per day less than its allocated quota under the agreement (4% below the quota).

The increase in quotas in OPEC+ countries generally boosts supply on the global market and leads to a decline in oil prices. This reduces the revenues of oil-producing nations, although the rise in production partially offsets the losses. It appears that Russia no longer has significant reserves to increase production and, as prices fall, is forced to cut production further.

² https://x.com/susnjar_a/status/2023293214728311095

³ <https://belta.by/economics/view/v-belarusi-izmenilis-tarify-na-transportirovku-nefti-762125-2026/>

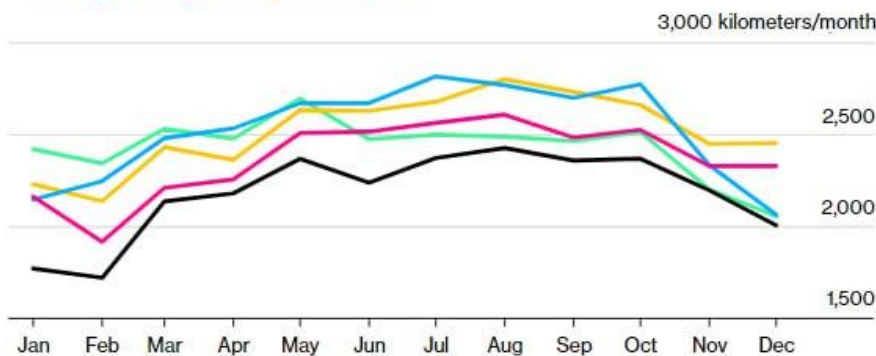


It is likely that the simultaneous decline in production and prices is leading to a lack of investment in drilling operations. New data shows a decline in drilling activity in Russia in 2025. In general, the volume of drilling was 3.4% lower than in 2024. However, drilling activity was at a record high at the beginning of 2025, and the main decline occurred in the second half of the year, falling to levels below those of 2022.⁴

Drilling at Slower Pace

Russia's production drilling fell from historic highs

2021 2022 2023 2024 2025



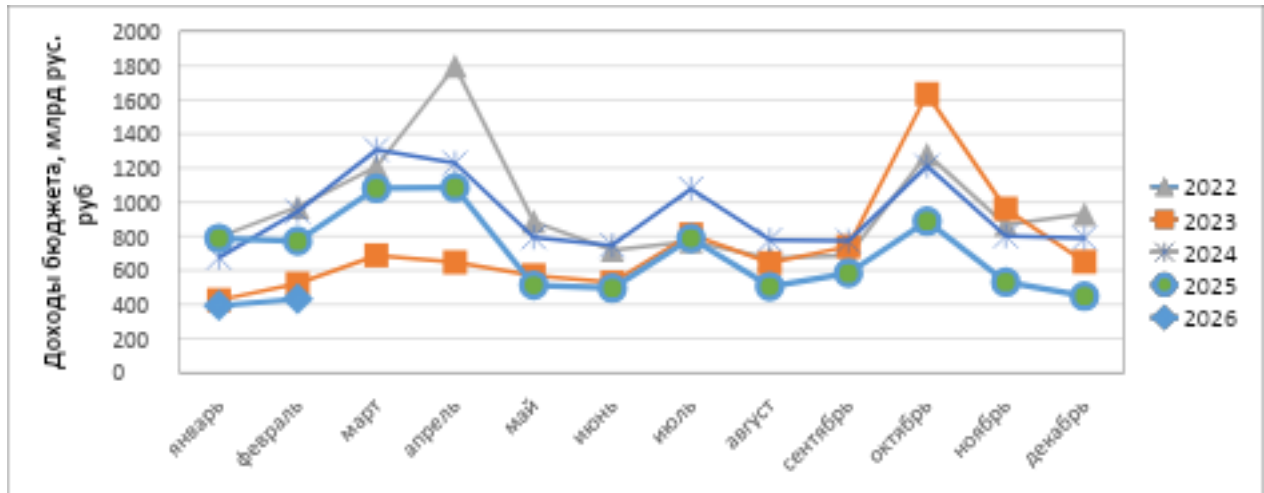
Source: Industry data

The decline in drilling activity began in June. Prior to that, the price of Urals crude had remained below \$60 per barrel for three months. This level might be the threshold below which the financial situation of Russian oil and gas companies no longer allows them to maintain drilling at the level necessary to

sustain stable production.

The oil produced in Russia comes mainly from older fields, a significant part of which have already been depleted. Maintaining production levels requires the continuous drilling of new wells, so the decline in drilling activity could well have led to a decline in production in recent months.

⁴ <https://www.bloomberg.com/news/articles/2026-02-18/russia-cuts-oil-drilling-as-money-dries-up-with-output-at-risk>



Nevertheless, Russia’s oil and gas revenues rose slightly in February compared to January, likely due to higher prices for Russian oil. However, they remain nearly half of February 2025 revenues and are at their lowest level since 2022.

Conclusion

In February, the intensity of strikes by the Ukrainian Armed Forces remained at least as high as in previous months, though it became clear that not all attacks were reported publicly. One of the key developments was the disruption of oil transit through Ukraine to Slovakia and Hungary following Russia’s airstrike.

Revenues to the Russian budget from the oil and gas sector are at a minimum level. This is the result of a combination of declining oil production, low global prices, and a significant discount on Russian oil compared to other brands.

The decline in production is likely due to a decrease in drilling activity in the second half of 2025. It seems that prices below \$60 per barrel do not provide sufficient incentives for oil companies to scale up drilling, which was reflected in oil production volumes at the end of 2025 – the beginning of 2026.