

**Press release**

**From: Der Divan**

**Date. 24 October 2023**

**Place: Berlin, Haus der Presskonferenz**

The oil price cap imposed on Russian oil sales worldwide by the EU and G7 states' was called "ineffective" and of "little remaining value" by **Mr. Ben Aris**, editor of BNE IntelliNews, speaking at the Berlin Energy Roundtable today at Haus der Bundispresskonferenz.

The roundtable entitled "Is Europe Winning the Energy War?" was sponsored today by the Berlin based Der [Divan Centre](#).

Data presented by Mr Aris, one of three experts who spoke to an audience including diplomats, news media and energy experts, indicated that, by using a "dark fleet of over 500 ships" now acquired by the Russian Federation, Moscow is escaping enforcement of the price cap by the western states allied with Ukraine.

Aris said that in 2022, the Russian state reaped record profits from oil trade of about \$150 billion dollars. In addition, Aris asserted Russian energy firms have an additional roughly \$140 billion in profits held outside the country. "Although the Russian state does not know the precise location of these funds" nevertheless "it knows who has this money" and utilizes it to acquire sanctioned items from abroad to supply its war industries, circumventing Western sanctions.

**Mr Andriy Kobolov**, former CEO of Naftogaz of Ukraine, speaking from Kyiv by video link to the meeting, indicated 'the EU won the initial battle' during last winter, of the ongoing Russian energy war.

However, Kobolov asserted the Russian Federation is finding ways to adapt to the loss of its European natural gas market now, after having first stopped sending gas via North Stream 1 pipeline, which was subsequently blown up.

Kobolov described how Turkey is acting as a new "gas hub." He described how in Turkey, "gas from many sources, including Azerbaijan, and others can be mixed with gas from Russia." He said the intent is "to pretend this is a Turkish, not a Russian product" and "sell it to the European market as acceptable."

Kobolov proposed a solution, which the USA and EU could impose to resolve the circumvention of the oil price cap described by Aris, and the intended Turkish creation of a gas hub intended to sell Russian gas.

Kobolov said "an anti-trust instrument" is "already in existence but now unused," which was previously used against Russian oligarchs in the early post-soviet era and also against Ukrainian oligarchs at that time.

This mechanism "would impose taxes on products from this oil and gas based on their Russian content." These "tax revenues could then be applied to accomplish the EU Green Deal, or whatever" and perhaps to "help Ukraine" in its war effort.

Mr Morten Frisch, a Norwegian consultant and veteran natural gas contract negotiator, described how the European Union is not yet free of the threat of a severe energy crisis. In particular he described a policy, especially in Germany of "renewables fundamentalism" whereby oil and gas are

being completely rejected as nuclear power has already been. He described the very steep prices due to “poorly thought out” renewables mandates and “extensive subsidies” which were “already causing an energy crisis” in Europe, “that was delayed by Covid” but was “inevitable.”

This crisis he said is due to “expensive renewables whose costs are obscured by subsidies” is exacerbated by “the high investments needed to rebuild insufficient electrical grids” infrastructure renewables require.

Frisch asserted, that this renewables crisis “then joined together with the Russian imposed natural gas crisis” and had severely weakened EU capacity in the ongoing Russian energy war.

Frisch stressed that Qatari and USA LNG will be needed by Europe, in large quantities, for many years hence, and that the Europe should acquire long term supply contracts.

Frisch stressed that production of natural gas and oil within Europe has “a much lower price due to the ability to deliver it by pipeline without liquefaction and shipping costs,” and hence also a “lower carbon footprint.” He advocated the “EU should pursue exploitation of its oil and gas resources” while these are still needed.

Speakers and bios:

Mr. Ben Aris

Co-founder and [editor-in-chief of](#) bne IntelliNews, has covered Russia since 1993, also the Baltics and Central Asia. Former Moscow bureau chief, Daily Telegraph

Mr. Morten Frisch

Senior Partner, [Morten Frisch Consulting](#) (MFC), Norwegian energy strategist, project developer, negotiator and expert witness with 50+ years hands on experience

Mr. Andriy Kobolov

Former CEO of [Naftogaz](#), Ukraine’s state-owned oil and gas company; co-founder [ENEY](#)

Moderator:

Dr. Thomas O’Donnell

Global Fellow, Wilson Center, Wash., DC; adjunct faculty FU-Berlin (BEST); [energy and geostrategy analyst](#) and consultant