JANUARY 2026

Liquidating the Russian petrostate

Assessing feasibility & US-Ukraine Intentions

Dr Thomas O'Donnell, PhD

EIES

This publication was authored by Dr Thomas O'Donnell, PhD, Energy & Geopolitical Strategist, and submitted on 7 December 2025.

This brief has been produced independently for the European Initiative for Energy Security (EIES). The views, opinions, and conclusions expressed in this brief are solely those of the author and do not necessarily reflect the official policy or position of EIES, its staff, board members, funders, or affiliated organisations.

The brief was edited by EIES.

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Executive Summary

This study finds that a US-Ukrainian joint campaign of sanctions and tariffs plus air attacks on Russian oil infrastructure and shipping is technically capable of devastating the Russian oil sector, the state's crucial economic basis. It outlines how such a campaign is already well underway and is likely to escalate sharply should the present negotiations fail to end the Ukraine war.

Despite oft-cited limitations of either sanctions or drone-and-missile attacks, their combined impact in the present campaign is now well beyond that of the former "oil price cap" strategy, and Russia has less capacity to resist this new campaign directly.[1] This also implies that retaliatory attacks on EU infrastructure should be expected. The trajectory of the oil campaign depends on how President Trump pursues it during periods of peace negotiations, and how soon he endorses a severe, bipartisan sanctions bill waiting in Congress.

One motivation for this study is that, in Europe, one finds a near blanket dismissal of the potential for this campaign and, particularly, of Trump-administration support, despite the campaign being well underway for several months.

In any case, to clarify the potential of this campaign, two assessments are crucial:

First, an assessment of the infrastructural, technical and market characteristics of the Russian domestic oil sector and its inherent vulnerabilities, and what methods of attack can disable or destroy much of its production and export capacities. Externally, this involves examining current global oil market balances and the interests and recent activities of the US's OPEC-Gulf allies, which have produced a historically optimal situation for removing Russian barrels from the market without a significant price shock. All in all, in these aspects, US and Ukrainian forces "have all the cards" to disable the Russian petrostate should they continue stepwise escalations. In addition, to optimally succeed, Putin must be convinced that the allies are indeed willing and able to inflict debilitating, long-term damage to the core of Russian national capacities as "a gas station masquerading as a state."

Second, an assessment of the willingness and capacity of the US, Ukraine and European allies to pursue such a campaign. Reviewing events, we see that Putin's intransigence in initial negotiations undermined Trump's strategy of offering Moscow economic and territorial enticements to end the war. The American administration then concluded that coercive measures inflicting "pain" are necessary to offset what Moscow perceives as battlefield, rocketry and financial advantages. The first aspect of this was to arrange with EU and UK allies enhanced arms supplies to Kyiv – largely produced by the US and paid for, principally, by the Europeans. The second, examined here, is the present joint US-Ukrainian assault on the Russian petrostate.

Complicating both these aspects of inflicting "pain" on Russia is that Trump has sought to end the war in such a way that Russia is pulled towards the West and away from China for geostrategic reasons; an objective also animated by pan-European white-Christian chauvinism.

Trump will very likely continue to pursue negotiations and be ready to offer economic partnership and territorial concessions to Russia to end the war. However, in the current situation, where Russia continues to push for "victory", if pursued alone, Trump's focus on negotiations counterproductively projects American hesitation to apply coercive measures to both allies and Putin. This obscures somewhat, to allies and Russia alike, the degree to which the administration now recognizes the necessity of inflicting "pain" for any negotiations to succeed.

On the domestic front, President Trump faces a near-unanimous bipartisan legislative consensus to diminish the Russian Federation's long-term capacity to generate oil rents. While primarily intended to defund Russia's Ukraine aggression, supporters also aim to disable Russian subversion in former-USSR states, and more generally. This dovetails with the administration's program to wield new US oil and gas commercial prowess to advance American geostrategic interests, as seen in its signature "American Energy Dominance Committee."

Lastly, despite Trump's aim to break the Russia-China nexus, above all else, objectively, he must demonstrate a US president's capacity to end the war in good time and to guarantee Ukraine's future security and prosperity in the process, sending a clear message to China for any Indo-Pacific confrontation and to allies vulnerable in ways not unlike Ukraine.

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[1] "Russia's Surging Oil Exports Stuck at Sea as Curbs Slow Delivery," Julian Lee, Bloomberg, 02 Dec 25.

Trump's Strategy

Many in Europe accuse the administration of "further sellout" and "appeasement" for engaging with the 28-point plan, which clearly embodied Russian demands. This is understandable. However, 19 points were also developed during "productive" rounds of US-Ukraine talks, centered on "security guarantees, land swaps, and possible elections," running counter to Russia's strident positions,[2] all of which were essentially acceptable to Ukraine. This is now the fourth iteration of Trump's attempts to negotiate with Moscow since he took office in 2025. In any case, there is no getting around negotiating such fraught issues, since there is no expectation that Russian forces can be pushed back and defeated. This round mainly achieved prerequisite unity and enhanced commitments from Ukrainian allies regarding what they are collectively willing to do to enforce a future peace deal.

The recent months' shift to hitting Russian oil hard, and other coercive measures, driven by Putin and Lavrov's intransigence, followed White House debates on Ukraine war strategy reported in mid-April and into the summer. At the same time, Congress became increasingly involved.

On 2 June, a broadly bipartisan majority of 83 senators backed a bill co-sponsored by Senators Lindsey Graham (R. SC) and Richard Blumenthal (D. Conn). The two describe the measure as "bone-crushing" sanctions and "one of the most draconian sanctions bills ever written." It would mandate 500% US tariffs on any country purchasing Russian energy. Notably, Graham has been called Trump's "whisperer" on security policy this time around.

Although any suggestion that Trump's strategy might have changed is often dismissed as "nonsense" in European expert circles, EU and UK leaders appear to have been kept well informed by the US side and have made significant efforts to contribute despite EU structural constraints.

In all of this, Trump's strategic vision has an inherent dilemma.

On the one hand, the longer he is forced to apply coercion to end the war, the more bridges to move Russia towards the West he will have burned with Putin. The war might end well for Ukraine; however, Russia might depend more on China for its recovery, to which end China has about 28% of global manufacturing capacity to bring to bear (in comparison, the US has about 17%).[3] Indeed, Russia could end up as China's dependent, well-armed catspaw, seeking to push its borders outward throughout Eurasia. This would be the worst scenario for Trump's aim to pull Moscow westward and isolate China. The past few US administrations also saw strategic advantage in pulling Russia away from Beijing. However, after each having made various efforts towards Moscow, each concluded that this had become a bridge too far.

On the other hand, should Trump fail to demonstrate that an American president can end this war in a manner providing security and prosperity to its ally, Ukraine, and to Europe, neither he nor his successor will carry much gravitas with Beijing, nor enjoy much confidence from necessary allies facing threats very similar to Ukraine's from either Russia or China.

The Allied oil campaign begins

On 6 August 2025, Trump signed off on 25% punitive tariffs against India for taking Russian oil. Then, on 22 October, the Trump administration sanctioned Russian oil majors Rosneft and Lukoil. If the US enforces these sanctions as promised, they can cut deeply into Russia's crude oil exports to China (47% in October), India (38%), Türkiye (6%) and the EU (6%) [total: 97%] as well as its refined products to Türkiye (26%), China (12%), Brazil (11%), Singapore (8%) and others.

It is notable that although China's seaborne Russian crude imports rose 21% from September to October 2025, with Rosneft and Lukoil delivering oil as usual the first three

[2] "After 'Productive' Meeting with Ukrainian Negotiators in Florida, U.S. Officials Head to Russia" WSJ, 30 Nov. 2025

[3] Safeguard Global, "Top 10 Manufacturing Countries in the World in 2025."

weeks, "they were entirely absent from deliveries made in the final week of October — despite the OFAC [US] sanctions not taking effect till November 21."[4]

The new American strategy of robust, increased sanctions and tariffs on Russian energy exports includes

i. US intelligence and military planning assistance to Ukraine's drone-and-missile campaign against Russian oil infrastructure, and

ii. encouraging allied Gulf oil producers to increase oil supplies to avoid price shocks as Russian barrels are taken offline. The unwinding of OPEC+ quotas pushed by Saudi Arabia since April, while perhaps having its own logic to recover market share, has been a major supply-side factor exacerbating the present global market glut and, thereby, preventing price rises as Russian oil and products are now being blocked from the market.

The current global market glut involves a record one billion barrels of crude oil now "on the water," loaded on tankers with limited market demand for delivery. Recently sanctioned Russian oil was also pushed onto tankers without destinations before the 21 November sanctions deadline, also contributing to this glut, favorable to the US-Ukraine campaign.[5]

A fog of overt acts?

India's Russian oil: Europe misreads Trump

In early August 2025, Trump suddenly demanded India stop buying Russian oil. This was often interpreted in Europe as a bombastic bluff he would never execute.

In any case, the tariffs Trump threatened against India for importing Russian oil were soon actually imposed. As Modi went straight to meet with Xi and Putin, the question became, how could Trump ever get Modi, who, for domestic and other political reasons, could not be seen as submitting to US dictates, to stop taking Russian oil?[6]

Trump's demands on Europe

Next, Trump intoned, in an open letter of 13 November to NATO members (i.e., the EU and Türkiye), and while speaking to the UN General Assembly, that he would harshly sanction Russia but only after allies also put skin in the game, as it were. He was ready for "economic war," but only if the Europeans stopped their "disgraceful" and "embarrassing" imports of oil from a country they were "at war" with.[7]

Of course, it was known to Trump and his administration that the EU was structurally incapable of meeting such demands due to dissenters Hungary, Slovakia and, as it turned out, Spain.

Nevertheless, European leaders engaged in an earnest public struggle to meet Trump's high sanctions bar. In the end, the resulting 19th package of sanctions - despite its limits - plus new UK sanctions, displayed the allied unity of purpose that Trump wanted to show the world as he imposed harsh new US sanctions on Russian oil majors.

Hubris and disbelief

In reaction to Trump's demand for European allies to stop taking Russian oil and gas, an oft-repeated view was echoed by a think-tanker to Germany's DW,

"'... Trump is looking for an excuse for continuing not to do anything.'" And that "Trump may have created conditions that are impossible to meet, shifting the blame onto the Europeans."

So too, another major European think-tank asserted:

[4] According to the CERA, in October:
"Crude oil revenues remained stable at €238 m/day, with €59 m/day from pipeline exports and €179 mn/day from seaborne crude oil."

With "Revenues from exports of seaborne oil products [fell 11% to] €114 mn/day."

This means seaborn oil and oil products brought €9.1 b total in revenues. This is the part of Russian oil revenues that the US-EU-UK sanctions directly challenge.

[5] "Oil's Billion-Barrel Buildup at Sea Points to Sanctions Stress," Bloomberg, 12 Nov 25.

[6] 'India Will Buy Russian Oil Despite Trump's Threats, Officials Say', NYT, 02 Aug 2025.

[7] See RBC-Ukraine, Reuters, VoA.

"... in the meantime, this ultimatum also gives [Trump] an additional pretext to continue doing nothing against Russia as long as the Europeans refuse to follow him down this slippery slope."

The belief that Trump was cunningly putting "impossible" demands as a "pretext" "to continue doing nothing" and "shift the blame onto Europeans" was a trope I also repeatedly heard in Berlin. Despite such convictions to the contrary, Trump carried through as promised, imposing sanctions of a severity that Europe had indeed found "impossible" to accomplish itself.

Unfortunately, the sanctions achieved in Brussels in response to Trump's demands, compared with sweeping US and UK sanctions, amounted to only tweaks to long-term, rather out-of-date measures. The press noted this contrast.[8]

So too, European efforts to mobilize frozen Russian funds held in Belgium and use them to help finance Ukraine's war failed.

Europe's top leaders understood US intentions.

In retrospect, top EU and UK leaders were well informed by the US all along about the particularities of the sanctions that Trump's administration had already prepared, and did not engage in populist disparagement of his intentions, as did those who were uninformed and misjudged events.

What is more, contrary to assertions, the American measures could not possibly have been impulsive, as sanctions of this sort require considerable time to prepare and coordinate in Washington.[9]

Looking back, it is apparent that Trump, his cabinet's energy officials, and senators had actually carried out a rather elaborate effort to bring allies on board with this turn in US policy toward Russian energy. As the NYT correctly noted,

"The Trump administration has tended to act unilaterally when it comes to economic diplomacy, but in this case, the sanctions appeared coordinated with allies. Britain announced sanctions on the same companies last week, and the new European Union sanctions package also targeted Russian energy."[10]

I dwell on this unfortunate expert-level misreading of the direction and intent of US policy not out of any animosity, but, to the contrary, because, firstly, it is obviously extremely dangerous for European expert policy analysts to misread the intentions of their ally, chief security guarantor, major economic partner-rival, and the global superpower. And, secondly, because this is not the first egregious instance of the past one to two decades. Yet, where is there any expert-level self-criticism at present of these misreadings? What are the lessons learned?

Addressing Modi's dilemma

For the new campaign against Russian oil to succeed, the US required a mechanism that would give Indian Prime Minister Narendra Modi the cover he would need to acquiesce to a halt in India's Russian oil imports. A pragmatic solution was found.

On 15 October, Trump declared he had spoken with Modi by phone, saying the Indian leader had agreed to stop taking Russian oil. The question immediately arose: how could Modi admit to such a thing, or enforce it? Notably, the Indian side insisted that the call had never happened.

What was widely missed here is that Trump would have informed Modi about the harsh US sanctions on the two Russian oil majors already prepared and ready to be imposed. Logically, it would be immediately clear that these sanctions would relieve Modi of having to make any overt capitulation to Trump's Russian oil demands. He could quietly see to it they were not effectively countered. Meanwhile, they would make any collapse of India's Russian oil imports appear to the world, including to Indian voters, as a purely US-imposed exogenous reality – if Modi played it right. Apparently, Modi

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[8] See Trump does what Brussels couldn't: Kill Russian oil in Europe – POLITICO, The EU Still Struggles to Make Its Russia Sanctions Bite – WPR.

[9] See my remarks: "What US oil sanctions mean for Putin, Ukraine war – Newsweek".

[10] 'India Will Buy Russian Oil Despite Trump's Threats, Officials Say', NYT, 02 Aug 2025.

had accepted a scenario of this sort and now hopes for some relief from the punitive 25% additional tariffs on India for buying Russian oil during upcoming trade negotiations with Washington.

A second call from Trump, to express "Diwali greetings" made from the White House celebration, took place on 21 October. On 22 October, Trump signed the sanctions. On the 23rd, Trump reiterated that India had agreed to stop taking Russian oil. In any case, most Russian oil going to India was now taken care of via what seems to have been a classic "art of the deal."

Türkiye and China

Secretary Marco Rubio and Vice President JD Vance moved on together to the next-lowest-hanging fruit, Türkiye. In DC discussions with the Foreign Minister on 10 November, they demanded Ankara halt all Russian oil and gas imports. Vance's presence added gravitas to the message.

The further issue of stopping China's Russian oil purchases will be more difficult to address. However, it seems the US administration is taking a one-step-at-a-time approach.

This is an alternative marshaling of events, but events, nonetheless.

Misreading Trump's & US bipartisan intent

The school of opinion that "Trump is fundamentally chaotic," "has-no-strategy" and/or would "never really hurt Putin," assesses the new Russia sanctions as merely performative and that Trump's administration has little appetite to enforce them.[11]

This misses, for one thing, the broad domestic US political and business elites' support for a forceful reorganization of the global energy sector against Russian interests.

For another, one should soberly consider the implications of the fact that the recent sanctions Trump et al. have imposed are the most severe ever imposed on a Great Power since WW2. And, this should be considered in conjunction with the fact that these sanctions and tariffs are being enhanced by an audacious Ukrainian air campaign – a campaign openly aided by CIA intelligence and US military logistics against Russia's oil-processing, export facilities and now shadow-fleet tankers in the Black Sea. Thus far, port hits have focused on Black-Sea region strikes on the Tuapase refinery and port, on the giant Novorossiysk oil-export terminal, as well as hits on shadow fleet oil-tankers, although oil-loading facilities and a ship in the Baltic port of Primorsk were also hit some weeks ago. I would expect Primorsk and the other large Russian Baltic Sea oil-export terminal of Ust-Luga, plus sanctioned tankers heading into or within these ports, to be a future additional focus of the Ukrainian-American air campaign as capacities expand.

The campaign's effectiveness thus far can be inferred from Putin's angry threats to retaliate.[12] Aside from further enhancing weapons supplies to Kyiv, the threat to Russia that its oil export revenues might be stepwise cut off is the most significant form of "pain" allies can now inflict on Moscow to undermine its capacity to sustain its aggression in Ukraine. It should not be deprecated.

Trump's war on Russian oil has broad, bipartisan enthusiasm

Interest in taking down the Russian petrostate is fully bipartisan in Washington, Houston, New York and elsewhere. It is not only seen as key to cutting off Russian finances for its war in Ukraine, but also to cripple its many foreign adventures that have long caused headaches for the US and its allies. The latter range from Putin's support of the Syrian regime and the flood of Syrian refugees into Europe, its axis with Iran, its trouble-making in Moldova and Georgia, its support for Venezuela, enabling coup plots across sub-Saharan Africa, and much more. Beyond this, in pro-Trump circles, smashing the Russian petrostate is seen as an opportunity to exploit "US energy dominance"

[11] Notably: Will Trump's Sanctions Make a Dent in Russia's Oil Exports? The view that, for technical reasons, sanctions would be ineffective or counterproductive is held by some Russian opposition, The Dictator's Legacy: A New Zastoy. and somewhat by Russia expert Ben Aris, Moscow Blog: Dmitriev goes to Washington, who raise issues to address.

[12] "Putin threatens to 'cut Ukraine off from the sea' after attacks on tankers," Reuters, 02 Dec 25.

for geoeconomic gain, seen to have been, in their view, squandered by Biden.

Oil-price cap eclipsed

The new strategy overturns the logic of the previous oil-price cap. The new aim is to block Russian oil exports, whereas the price cap was explicitly intended to preserve Russian exports while limiting their price. Since Russia is the world's third-largest oil exporter, the earlier fear was that sanctioning its exports would cause prices to soar, causing a backlash against Ukraine, and boost pro-Russian and/or far-right parties.

" *'[India] bought Russian oil because we wanted somebody to buy Russian oil at a price cap; that was not a violation,'* Eric Garcetti, then the U.S. ambassador to New Delhi, said last year. *'It was actually the design of the policy because, as a commodity, we didn't want the oil prices going up, and they fulfilled that.'"*

And, Amos Hochstein, Biden's Special Presidential Coordinator for Global Energy, told the Financial Times when Trump imposed new sanctions:

"If the price goes up significantly, then any loss to Russia from the sanctions they gain back from the increased price. And if the price goes up too much, then the Russians gain, and the American consumer and our allies lose," said Hochstein ...

However, in opposition to this, when the price cap was first being considered in 2021-22 (even before the full scale invasion invasion of February 2022, these ideas were circulated in policy circles, including as a means to address Russian gas sales to Europe), most leaders in the oil and gas sector argued: (i) the cap would be unenforceable and produce no significant impact on Russian finances, and some pointed out, as did I that, (ii) market conditions were evolving favorably for at least a phased removal of Russian oil from markets if accompanied by strong signals that this would happen, encouraging producers to invest in increasing non-Russian production. From the beginning, the head of the IEA, as well as I and others, insisted that there are plenty of oil reserves worldwide that can be developed, completely replacing Russian exports.

Alas, those opposed to the price-cap strategy were correct.

Review of the Russian oil sector

1.0 Exports

Russia exports oil and refined products via pipelines and seaport oil terminals.

The main pipeline systems are the Druzhba, which goes west into Central and Eastern Europe (CEE) with a spur crossing Poland to Germany, and another goes eastward, the Eastern Siberian-Pacific Ocean (ESPO) pipeline system. The Druzhba network's exports to inland locations are already largely shut down, except for flows through its southern branch into EU-member Hungary, to non-EU Serbia, and to some West Balkan states. However, the Druzhba does continue to supply the major west-facing oil ports previously mentioned.

For seaborne Russian oil exports, the four-week average as of 26 October has been 3.76 mbd. Though there are several smaller ports, the great majority of exports go through four large oil terminal ports (EIA, p. 14). Three of these are westward-facing ports: Ust-Luga and Primorsk on the Baltic Sea and Novorossiya on the Black Sea. These three handle Russia's Urals, Siberian Light, and KEBCO grades of oil and together exported a record 2.5 mbd (million barrels per day) in September 2025. Their exports were swelled by oil that could not be refined domestically due to Ukrainian drone attacks. Reportedly, there is no more spare export capacity at these ports.

Facing east, the fourth large terminal is Kosimo on the Sea of Japan, at the terminus of the ESPO pipeline. Kosimo ships about 1.0 mbd, while an additional 600,000 bpd (0.6 mbd) goes inland to China via an ESPO spur.

There are also Pacific Coast port outlets for the Sakhalin 1 and 2 Arctic East Siberian oil fields. Sakhalin 1 output dropped from about 229,000 bpd to 10,000 bpd when Exxon and its high-tech capacities left the project due to the 2022 sanctions. Sakhalin 1 & 2 exports vary considerably, averaging about 250,000 bpd in late October 2025.

2.0 Russia's oil basins

By far, the great bulk of Russian oil production is from the Western Urals basin (Central

Siberia). This basin, together with the Timano-Pechora (NW Siberia), Volga-Urals & West Caucasus (SW Siberia and Caucasus) basins, all export via the three large west-facing ports or else to Druzhba inland customers.[13]

3.0 Military aspect: Ukrainian drones

Ukraine has well demonstrated the capacity to hit all three of Russia's westward-facing oil ports. In fact, various facilities in these ports had been hit since early 2024, but until September 2025, there had never been an attack on the oil-exporting facilities with these ports, either during the Biden or the Trump administrations. This was "apparently out of deference to the Americans," as an American oil consultancy remarked in 2024.[14] The constraint here was that the US price-cap model was explicitly designed to keep Russian oil flowing into the global market. This absence of hitting oil export infrastructure stood out starkly during the Ukrainian first campaign against Russian refineries in early 2024.

There are two points to make here:

3.1 Oil Ports

The recent Ukrainian hits on oil ports, export-linked pipelines, and pumping stations have not met with any public disapproval by the US administration. This marks a sharp change in US policy. Hits on oil terminals began this fall and have so far included all three of the aforementioned biggest western ports: two on the Baltic Sea and one on the Black Sea, plus the Black Sea's second-largest. These have been hit with large-scale drone assaults on the terminals' infrastructure, including their loading facilities, pump stations and pipelines supplying oil.

At first, this didn't appear to be a concerted campaign, such as the relentless refinery hits, but it has gradually intensified.

It is also not clear how long damage from drones alone can affect export capacity, which is less sensitive than refineries. Adding cruise missiles may be required to enhance effectiveness. Overall, consider:

i. In any case, the effectiveness of the sanctions and the tariffs now being applied by the US and allies, to actually block exports of Russian oil, will undoubtedly be significant, but always partial. This has been the experience when applied against smaller producers over recent decades, such as Iraq, Libya, and, still today, against Iran.

ii. However, the Ukrainian air campaign hitting the three main westward-facing export terminals, as well as "shadow fleet" oil tankers approaching these ports, acts as a "force multiplier" to the US-allied sanctions and tariffs regime.

3.2 Domestic vulnerability

We can now see that the 2025 Ukrainian drone war against Russian refineries and oil infrastructure is one part of a larger allied campaign to cripple the Russian oil sector. In particular, in contrast to 2024, when the US publicly opposed that air campaign, this time the US has actively provided targeting intelligence and logistics support to Ukrainian forces from the start, reportedly even having taken initiative in initial planning.

Reducing Russian capacity to refine oil across the entire West-Siberian fields and Druzhba pipeline network not only impacts Russia's domestic war production, civilian transport, agriculture, and its fuel supplies to battlefields in Ukraine, but also forces Russia to export oil that can no longer be refined at home. It is significant that the Ukrainian campaign against refineries has had this effect. Russia's major westward-facing oil- terminal seaports are reportedly often now exporting at nearly full capacity.[15] Therefore, any significant increase in oil that cannot be refined domestically will logically require something to be done to reduce flow via the Druzhba pipeline network into these ports. So too, anything that is done to damage the export terminals, to reduce the

[13] Ref. & map

[14] From a major US energy consultancy report, seen by the author, in 2024. They no longer have it publicly available.

[15] Hellenic shipping news, 6Dec2025, https://www.bloomberg.com/news/articles/2025-10-21/russia-s-oil-exports-may-be-nearing-a-peak-as-refineries-restart

tankers available to be loaded to offtake oil, or to diminish the end markets for Russian crude exports, will all contribute to causing the massive Druzhba export pipeline network to "back up", unable to handle upstream fields' current rates of production. This oil has to go somewhere.

However, unlike many other major oil producers, such as Saudi Arabia or the US, Russia has no extensive domestic crude oil storage system.

The only remaining remedy then is that the pumping rates of especially the main West Siberian fields would have to be reduced, and, if the reduction in export capacity is somehow choked off, in a shock manner, for several days or more, delicate, old fields would have to be hurriedly shut in. Given the geology and advanced age of these fields, this would have to be done very carefully, requiring significant labor time. It is widely understood that shutting such fields risks ever recovering production at anywhere near its previous rates. And, if this happened during the frigid Siberian winter, there is a much higher probability that they would be permanently damaged. Following this, even with the application of the most technically advanced and high-cost enhanced oil recovery (EOR) methods at scale, Russia would likely never recover the bulk of this older productive capacity. In any case, this would require massive involvement of the high-tech Western oil-service companies, all of which are now barred by sanctions from involvement.

This, then, indicates a technically plausible path by which the continued sustenance of Russia as "a gas station masquerading as a state" could be ended.

The present air campaign against Russia's domestic refineries, tankers and other oil infrastructure should now be understood together with the unprecedented tariffs and sanctions imposed by the US and allies against Russian oil, as synergistic elements of a campaign to force Russia to abandon its aggression in Ukraine.

Now, the question is: can Ukraine expand and sustain hits to all three of Russia's biggest west-facing oil port terminals? How much can recent Trump administration authorization for the use of Storm Shadow and other large-warhead, long-distance European missiles deep inside Russian territory contribute to crippling these ports? And, will Trump approve proposed new, "draconian" sanctions and tariff measures to block exports of Russian oil?

4.0 Production basins' difficulties

Let us look in more detail at the vulnerabilities of the Russian oil basins currently producing oil.

Russian oil production is overwhelmingly dependent on its Western Siberian fields. This basin, together with the Timano-Pechora, but most especially the oldest, declining Volga-Urals and West Caucasus basins, are all, in various ways, complex to sustain, much more so than, say, Saudi Arabia's fields and pipelines network. Several constraints are apparent:[16]

(i) Both because of their low viscosities and advanced ages, being partially depleted, they often will not flow on their own accord and require enhanced oil production (EOP) techniques to force their flows. This involves higher tech and is expensive.

(ii) The Siberian fields and above-ground pipelines experience deep cold in winter.[17]

(iii) As mentioned earlier, Russia has no significant domestic capacities to store oil; it must be refined and consumed domestically or be exported.

(iv) Reportedly, Russian oil fields are now challenged for experienced labor because of the requirements of the war front, a factor which is difficult to quantify.

(v) Russian fields have been under sanctions since 2014, which were enhanced after 2022. These sanctions deny Russia access to Western service companies' higher-tech services. In

[16] See pts i-v: The Slow Demise of Russian Oil – WSJ; Russia's Unsustainable Business Model – HCSS; The Slow Demise of Russian Oil Production – OilPrice.com).

[17] Too Cold for an Oil Cut? Russia's Move Reveals a Long-Running Bluff, 04 May 2020, NYT.

addition, all these sanctions forbid both Western financing and oil-service firms from assisting the development of new fields, fields with which Russia had aimed to offset the years-long natural decline of its older basins. These new plays are in challenging offshore and/or high-Arctic regions, or require specialized hydraulic fracturing services and machinery. And, after the 2022 sanctions, foreign tech providers Exxon and Shell, which had applied challenging high-tech to develop new fields on Sakhalin Island in the far East of Russia, were required to withdraw, sharply undermining that new production ever since.

The overall result is that, since the imposition of the 2014 and 2022 sanctions regimes, and despite a certain degree of technological learning by Russian experts, there has been no significant development of new basins. This has crucially forced Russia to continue its dependence on its declining and increasingly complex older basins. Besides the effects of the present sanctions-and-air campaign, this reality will lead to significant gradual declines in Russian oil production and revenues, over the medium-to-long term, without the ability to develop complex new oil frontiers.

5.0 Vulnerabilities & US-Ukraine-allied oil strategy

However, in the immediate, short-term, the present US-Ukrainian offensive has already brought the Russian oil sector to a highly vulnerable state, as described above. Given the technology-infrastructure-resource factors already synergistically at play, imposition of a significant short-term shock, over perhaps only a few weeks, especially if inflicted during the 2025-26 winter, would credibly threaten Russia's future capacity to function as a petrostate and, in particular, undermine its war economic and military capacities to sustain its aggression against Ukraine.

Accordingly, it would be highly effective for the Trump administration to rapidly escalate sanctions and/or tariffs against Russian oil exports, and to enhance Ukrainian capacity to disable Russian oil export terminals, refineries, pipelines and tankers while the time is most ripe, in the middle of the Siberian winter.

A caveat here is that before implementing previous escalating steps, Trump has generally made what appear to have been "fair warning" phone calls to Putin, each time offering him an opportunity to negotiate before Trump imposes the new escalation. At least this habit re-exposes Putin's refusal to negotiate, placing the onus on Russia for each new escalation of coercive measures against Russia. Whether this indicates Trump has subjective "illusions" about Putin or this exercise is a considered strategy is rather immaterial. The point is, Trump might not soon seize the moment to finally wreck the petrostate before first using the fact of his palpably imminent capacity to do so to attempt once again to intimidate Putin into negotiations.

6.0 Oil market 2026 glut

The present market trajectory is widely seen as an oversupply, a glut through 2026 reaching perhaps 4 mbd.[18] This has contributed to Russian seaborne exports in October priced as low as $50 per barrel.[19]

This market glut provides optimal conditions for taking Russian barrels off the market.

Early in 2025, Trump had demanded that Saudi Arabia and other US OPEC allies in the Gulf begin returning the 6 mbd that quotas had been holding offline to the market to reduce prices. Since April, the ongoing winding down of quotas has contributed to the market glut, de facto – if not intentionally – enhancing conditions to take Russian barrels offline with minimal supply or price disruptions. And, if and when Russian barrels are blocked from especially Indian and Chinese buyers, the fact that so much OPEC-Gulf states' oil has already been mobilized will enable the Saudis and other Gulf producers to quickly take back market shares they lost to the surge of discount-priced Russian exports that have flowed to India and China since 2023.

Was all this pre-positioning coincidental? Trump is very close to all these states, as witnessed by his "love in" visit to the region in mid-May. My suspicions about this have been

[18] See IEA, Reuters, FT.

[19] See Bloomberg and BoA via Reuters.

shared by other experts. On 22 October, the Financial Times wrote,

"Oil experts said the close relationship between Trump and Saudi Arabia's leader, Mohammed bin Salman — who will visit Washington next month — had helped to create the conditions for tougher US action. The Opec+ oil cartel began boosting production from April in a surprise move that caused oil prices to fall sharply. This followed Trump's calls for Opec+ to increase supply in an effort to cool prices, ease inflation and squeeze Russia's energy revenues."

And, Scott Sheffield, an oil industry veteran who ran shale producer Pioneer Natural Resources, told the FT,

*"Trump has a very close relationship with Saudi Arabia, the [United Arab Emirates] and Kuwait, and Biden did not. And I think there were probably discussions **— I have no proof — but there were discussions early on for the Saudis to gain back market share**."* (emphasis added, T.O'D.)

However, direct evidence of such market-preparing cooperation comes from US Secretary of the Interior, Doug Burgrum, chair of Trump's new US "Energy Dominance Council." Speaking on 25 October,

"We have to get [Russia] to stop by cutting off their financial resources.

The relationships we have in the Middle East, that allow people like Kuwait and Saudi Arabia to pick up the slack and start selling energy to India. ...

*"President Trump picks up the phone this week calls Modi and says, "you have to stop buying Russian oil," **[then Trump] picks up the phone and calls the [Saudi]crown prince saying, "We need you guys to do this."***

*"**We have never had a president ... shaping world energy policy from the resolute desk**. This is what happens during a week like this leading up to these sanctions. And then we are going to have the alliances to make it stick.*

"I am very optimistic that the pressure we can put on Russia can bring this conflict to an end." (emphasis added, T. O'D.)

In these respects, the new policy shows that current officials – in particular Energy Secretary Chris Wright and Interior Secretary Doug Burgum – have a greater understanding of and confidence in managing global oil dynamics than their predecessors. In addition, after four years of the Russian full-scale aggression against Ukraine, and Moscow's "first-strike" use of its energy weapon imposed a costly gas crisis on Europe before its full-scale invasion, this means that the present administration's energy actors enjoy a broadly bipartisan consensus for risk-taking to crash the Russian petrostate. Indeed, Europe seems broadly aligned, albeit often lacking insight in this sector, and being constrained from acting as decisively, due to its institutional constraints.

Conclusion

This study was originally submitted on 7 December 2025; today is 21 January 2026. Although much has transpired on these matters, events remain consistent with the analysis above, as do press revelations recapitulating events of 2025[20].

Two rather stunning developments seem to indicate advancement of a US-Ukrainian campaign to liquidate Russia's petrostate:

Developments

First. The forceful US intervention in Venezuela had various rationales. However, since Venezuelan dictator Nicolas Maduro was removed, Trump and his cabinet strongly assert it is about getting Venezuela's huge reserves of oil back online, ASAP.

The analysis of this study is that the US is maneuvering to take Russian exports offline, and there is a glut of oil available to allow this in the short term. This, however, implies a need for more alternatives in the medium- to longer term. This appears to be a major motivation for getting Venezuelan oil back online.

[20] The Separation: Inside the Unraveling U.S.-Ukraine Partnership, 30 Dec 25. A major recapitulation of US-Ukraine relations, including the active US role in the 2025 drone campaign against Russian oil infrastructure.

Interestingly, a French-made documentary about events in Venezuela reveals that, in 2022, as the Russian full-scale invasion of Ukraine began, Maduro, offered the Biden administration Venezuelan oil to replace Russian oil, which the US wanted to sanction. The Chavista former president of PDVSA, Venezuela's national oil company, from 2002-2014, Rafel Ramirez, explains in the documentary, speaking of 2022:

"After the Russian invasion of Ukraine, Maduro knew he could rely on oil on the international market, (that it) can gain importance on the political stage. That's why Maduro made negotiations with the US public. He wanted to show the world that Venezuela is able to replace Russian oil deliveries."[21]

And, former Trump National Security Advisor John Bolton explains the Biden administration's reasons for engaging, which lends further credibility to the role envisioned for Venezuelan oil.

Ultimately, these negotiations failed. However, this history is an indication that such ideas have been present in both Washington and Venezuela throughout the Ukraine war.

The Trump administration has now forcibly obviated the need for any further negotiations.

Second. The US has now adopted a radically different attitude to the massive Russian-Iranian-Venezuelan "shadow fleet" of tankers crucial to the transport of their sanctioned crude oil. Venezuelan shadow fleet transport has reportedly been totally stopped since the US seized several such ships at sea.

However, of great significance regarding disabling the Russian petrostate is the example which was made of a shadow tanker that adopted Russian registration as it ran from US interdiction near Venezuela. Despite Moscow announcing it was now their ship and being protected by a Russian submarine, the US, with British support, sent submarine-hunting aircraft as backup for a boarding team, which took the ship in the North Atlantic.

This is a stunningly different attitude than I have seen numerous NATO, Nordic or Northern European EU member-state officials take over the past four years, who always spoke of the "impossibility" under international maritime law to even stop such vessels unless they had committed some crime, like cutting a cable[22]. In this case, the hasty Russian change of identification was declared a "sham" by the US, which considered the vessel "stateless", meaning boarding is therefore legal. Now, this is considered a new vector of attack against Russian oil exports, one I had not considered in the present study.

Additionally, Russian oil sales to India are now falling further, causing China to demand record-low prices for what Russian oil is still imported there, while massive amounts of "shipped" Russian oil are reportedly now sitting on tankers outside various destination ports, with no contracts for delivery.

Next step

The latest round of negotiations with Russia and allies have now reached their conclusion. The EU-UK-US-Ukrainian side has agreed on their mutual security roles under any future peace deal[23]. So too, Ukrainian President Zelensky has articulated concessions he would accept in return for a negotiated peace. The US side is clearly happy with this outcome and has generally agreed to it all.

So, the obvious next step is for the pro-Ukrainian alliance to react appropriately to the continued "No!" from Putin.

Both the US Senate and the Treasury Department (OFAC)[24] have significant - even "draconian" in the Senate's case - sanctions ready to impose. At the same time, as explained herein, the Russian oil system is currently stressed to capacity, and any major

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[21] The Arte documentary (at YouTube Venezuela - Maduro's Power Struggle | Documentary HD Reupload | ARTE, 20 Aug 25, and at Arte, Venezuela - Maduros Machtkampf, available till 15 Feb 26). The transcript is in German. The former oil minister spoke in Spanish, and the former Trump National Security Advisor, John Bolton, in English, both with German voice-over, and others spoke in German.

[22] EN: On January 22, the French navy intercepted the Russia-linked "shadow fleet" tanker *Grinch*, suspected of violating international sanctions on Russian oil exports and of sailing under a false flag. https://www.bbc.com/news/articles/cdexxr2y9070

[23] https://www.foxnews.com/world/zelenskyy-says-us-security-guarantees-document-100-ready-signing

[24] US Readies New Russia Sanctions If Putin Rejects Peace Deal – Bloomberg, 17 Dec 25. Note, Sec. Bessent briefed EU Ambassadors in Washington on the sanctions already prepared.

shock, such as these sanctions, especially in winter, could permanently or semi-permanently ruin Russia's Western Siberian fields, the material basis of its petrostate status.

The only ingredient missing for the success of a campaign for the "liquidation of the Russian petrostate" is for President Trump to "pull the trigger" on these new secondary sanctions and/or secondary tariff measures.

However, Trump appears to hesitate. Is this Hamletian agonizing over whether to make the next, grave escalation against the Russian petrostate, ending what he might see as some last chance of pulling Putin's Russia away from Xi's China? Or is his hesitation merely to further prepare conditions for taking Russian oil offline by getting more Venezuelan oil online to replace Russian oil and perhaps to also first "decapitate" the Iranian mullahs' dictatorship, again bringing more oil online as a substitute for Russian barrels?

Or all of the above? We shall soon see.

On method

Lastly, the analysis above may seem to some as if I am "apologizing for Trump". However, the objective of analysis is to discern the trajectory of events and data. Regardless of whether Donald Trump goes down in history as a diabolical autocrat or a savior of American democracy and the Western alliance is beside the point. One must simply analyze actual events and data to see where their trajectory is headed. Then, strategy – policy – can be based on a maximally objective analysis.

Recommendation

For my part, based on the above study, I would strongly advise EU-NATO states to prepare for Russian retaliation as the liquidation of the material basis of the Russian petrostate may reach a critical stage in the coming months.

Misreading the de facto trajectory of Trump administration policy towards Russian oil and the Ukraine war is quite simply, for European leaders and policy experts, dangerous for Europe. And, more broadly, beyond the phenomena of Trump, any diminishing of the importance of the present sweeping bipartisan US-domestic consensus to deny Putin's dictatorship the oil income that sustains it would leave Europe unprepared for what can soon arrive on its territory. As the study observed, Putin has no *direct* means of preventing the US and Ukraine from blocking the vast bulk of Russian oil exports. Therefore, Europe should prepare for a new, unprecedented intensity of Great Power conflict, the angry lashing out of Russian imperialism as it is increasingly starved of its oil-income sustenance. And this fury would primarily play out on and against the nations and peoples of Europe and against their Union.

Appendices

A. Kazakhstan oil exports via Russian pipelines (US sanction exemption)

Kazakhstan exports roughly 1.6 million barrels per day (mpd) via three routes, two of which are Russian routes: one to Novorossiya and the other to Germany. A third goes via the non-Russian BTC pipe:

(i) 80% of Kazakhstan's oil flows through Russian territory using the Caspian Pipeline Consortium (CPC) pipe to the Novorossiya port. CPC joint owners include now-sanctioned Russian firms Rosneft and Lukoil, plus several Western oil majors. One of the few exceptions in the new US sanctions was for the continued use of the CPC pipeline, in which Kazakhstan and US oil majors participate. Ukraine attacked pumping stations on this line in February 2025, interrupting flows. Later, on 24 September, for the first time, it targeted the oil export infrastructure at the ports of Novorossiya and Tupase with naval drones, interrupting both Russian and Kazakhstan exports there for a time.

According to the Kyiv Post of 10 November,

"Ukrainian robot boats … attacked Tuapse on Sept. 24 and overnight on Nov. 1-2. The latter raid damaged two tankers, halted fuel exports and refinery operations for days, caused an oil spill and forced tankers to abandon the port."

And 10 days later, Ukrainian robot boats again hit the oil terminal:

"… a follow-up strike to a damaging attack that hit Tuapse 10 days ago. There are unconfirmed reports that Ukraine also launched its big Flamingo cruise missile at the port."

(ii) At greater cost, some of the country's oil crosses the Caspian via tanker to Baku and into the non-Russian BTC pipeline system across Armenia to Turkey for export. After the 2022 Russian invasion of Ukraine, Kazakhstan BTC flows increased 56% in 2023. In 2025, after technical disruptions, Kazakhstan's flows resumed, with discussions of a seven-fold increase by 2027. A cost-effective alternative would be a new, short pipeline under the Caspian into the BTC, something Russia has always opposed and has historically threatened to block, but which Azerbaijan and Kazakhstan consistently seek to realize.

B. The German Schwedt refineries' Rosneft stake (US sanction deadline)

Kazakhstan exported 37,550 bpd from January-July 2025, a 38% year-on-year jump, to Germany's Schwedt refinery, in which Rosneft owns 54% of the shares, and Germany has placed under trusteeship, along with Rosneft's 24% stake in the MiRo refinery and 28.57% in the Bayernoil refinery, since September 2022. According to Reuters sources, the German government is stuck, "For the (conservatives) Christian Democrats, expropriating companies would be against their campaigns… it would be a major step with a very high threshold."

Kazakhstan and Germany use Russia's Druzhba, with EU approval, for most of this 4,000 km transit, routed from Russia into the Druzhba north branch across Belarus and Poland to the German border. Schwedt supplies 12% of German fuel, including 90% of the German capital's consumption, Berlin's airport, and most of the state of Brandenburg. A further increase in this flow from Kazakhstan, of 220,000 barrels per month, to start in January 2026, was agreed in early October. This "Kazakhstan oil" is actually a mix including oil from many Russian fields, also feeding Druzhba. This supply started in January 2023, when Schwedt was running at an inefficient 60% capacity due to a lack of crude.

Russia's Transneft, the Druzhba owner, is paid transit fees. Schwedt now runs (late 2024) at about 80% capacity with 70% of the crude via a pipe from Rostock, 15% from Gdansk, and 15% from the Druzhba.

After the Trump administration imposed its late-October Rosneft sanctions, it agreed to a six-month period for Germany to finally – after three years of fiddling – end the Russian ownership at Schwedt and its two other refineries. Germany has not nationalized nor forced the sale. It is unclear whether resolving this means resolving only the refinery ownership or also ending the use of Russia's Druzhba. Germany and Poland are reportedly building or expanding pipelines and port terminals to supply Schwedt with non-Russian oil. However, Germany, especially with Polish help, could have already, during the past three years, built a new pipeline from either the existing oil terminal at Rostock or Gdansk[25] to handle much more than some 38,000 bpd, or even used unit trains on an emergency basis.

[25] Ref. and maps