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Energy

Oil from U.S. reserves head overseas as gasoline prices stay high

By Arathy Somasekhar

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The Bryan Mound Strategic Petroleum Reserve, an oil storage facility, is seen in this aerial photograph over Freeport, Texas, U.S., April 27, 2020. REUTERS/Adrees Latif

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HOUSTON, July 5 (Reuters) - More than 5 million barrels of oil that were part of a historic U.S. emergency oil reserves release aimed at lowering domestic fuel prices were exported to Europe and Asia last month, according to data and sources, even as U.S. gasoline and diesel prices touched record highs.

The export of crude and fuel is blunting the impact of the moves by U.S. President Joe Biden designed to lower record pump prices. Biden on Saturday renewed a call for gasoline suppliers to cut their prices, drawing criticism from Amazon founder Jeff Bezos. [read more](#)

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About 1 million barrels per day is being released from the Strategic Petroleum Reserve (SPR) through October. The flow is draining the SPR, which last month fell to the lowest since 1986. U.S. crude futures are above \$105 per barrel and gasoline and diesel prices above \$5 a gallon in **one-fifth of the nation**. U.S. officials have said oil prices could be higher if the SPR had not been tapped.

The fourth-largest U.S. oil refiner, Phillips 66 (**PSX.N**), shipped about 470,000 barrels of sour crude from the Big Hill SPR storage site in Texas to Trieste, Italy, according to U.S. Customs data. Trieste is home to a pipeline that sends oil to refineries in central Europe.

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Atlantic Trading & Marketing (ATMI), an arm of French oil major TotalEnergies (**TTEPA**), exported 2 cargoes of 560,000 barrels each, the data showed.

Phillips 66 declined to comment on trading activity. ATMI did not respond to a request for comment.

Cargoes of SPR crude were also headed to the Netherlands and to a Reliance (**RELLNS**) refinery in India, an industry source said. A third cargo headed to China, another source said.

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At least one cargo of crude from the West Hackberry SPR site in Louisiana was set to be exported in July, a shipping source added.

"Crude and fuel prices would likely be higher if (the SPR releases) hadn't happened, but at the same time, it isn't really having the effect that was assumed," said Matt Smith, lead oil analyst at Kpler.

The latest exports follow three vessels that carried SPR crude to Europe in April helping replace Russian crude supplies. [read more](#)

U.S. crude inventories are the lowest since 2004 as refineries run near peak levels. Refineries in the U.S. Gulf coast were at 97.9% utilization, the most in three and a half years.

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