

# Australia's military links to illegal Russian oil

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The Australian Defence Force's major oil supplier cannot rule out that the nation's tanks, planes and ships are being powered by fuel produced by controversial Indian refineries accused of funding Vladimir Putin's war in Ukraine.

Viva Energy and its main supplier Vitol have imported almost 400,000 tonnes of oil from the Indian Jamnagar and New Mangalore refineries since January 2024, according to trade data from Kpler, an analytics firm tracking the global commodity and shipping industries.



Viva Energy supplies Defence's aviation, marine and ground fuel needs under a \$450 million a year deal. **nna\advidler**

Australia and other Western countries slapped sanctions on Russian crude and refined oil imports in 2022, but illegal oil is still entering Australia through countries like India, which has been buying discounted Russian crude, refining it and then exporting it to western countries.

Refined oil from India now makes up about 10 per cent of Australia's refined fuel imports, with purchases totalling a record \$4.3 billion in 2024, according to figures from the Department of Foreign Affairs and Trade.

Viva Energy supplies Defence's aviation, marine and ground fuel needs under a \$450 million-per-year contract awarded in mid-2023.

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Viva could not guarantee, when asked by *The Australian Financial Review*, that Russian crude oil refined in India was not being used to fulfil the Defence contract.

Viva Energy purchases refined fuel through Swiss-based Dutch multinational Vitol under an exclusive 10-year fuel supply agreement inked in 2018. It also creates its own fuel at its Geelong refinery.

A spokesman said a “significant proportion” of the refined fuel that Viva Energy supplied in Australia was manufactured in Geelong, but they would not specify the proportion or the origins of the refined products associated with Defence.

## Australian imports of refined oil products from India, annual (\$b)

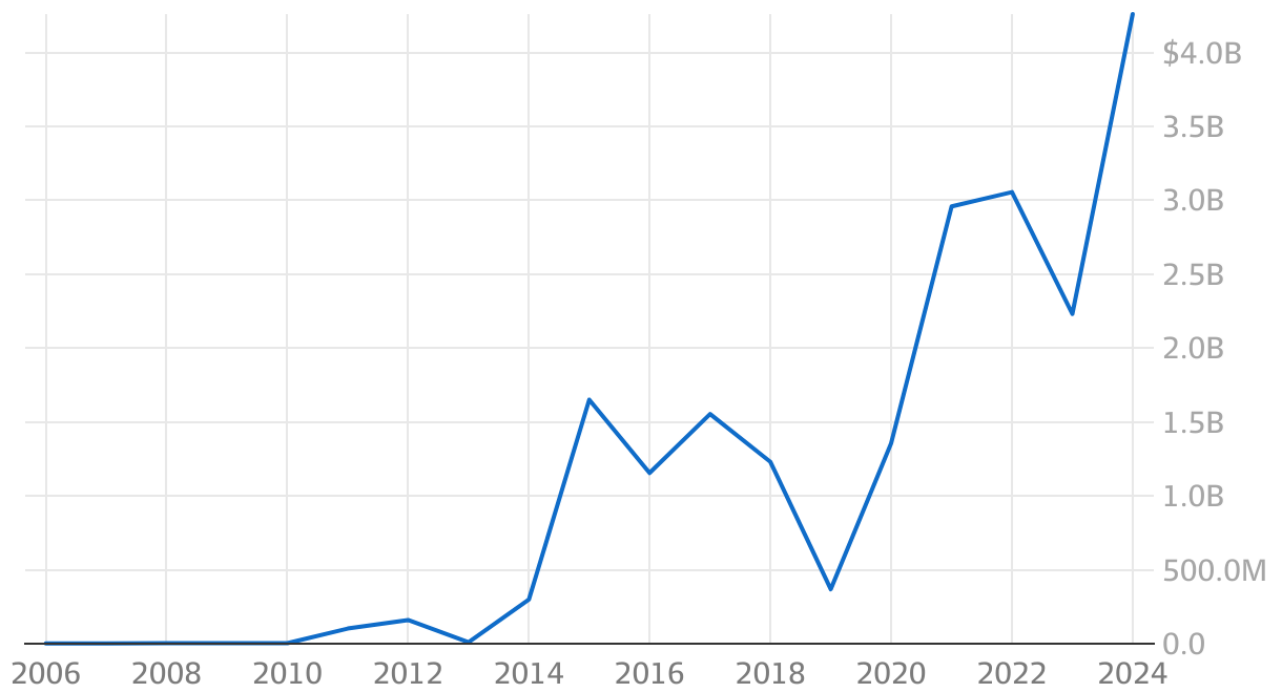


Chart: Michael Read, AFR • Source: Department of Foreign Affairs and Trade

“Viva Energy conducts its business in full compliance with all applicable laws and regulations, including those relating to sanctions,” a spokesman said.

“We do not source any crude oil from Russia or any other parties who are subject to Australian sanctions.”

The Finnish-headquartered Centre for Research on Energy and Clean Air estimates Australia imported \$US2.5 billion of oil refined from Russian crude between February 2023 and June 2025. This generated \$US1.3 billion in tax revenue for the Kremlin, eclipsing the \$US1.15 billion in military and humanitarian aid Australia has supplied to Ukraine since the war began.

Kateryna Argyrou, the chairwoman of the Australian Federation of Ukrainian Organisations, said: “Australia is the largest buyer of refined Russian-origin fuel products in the world – it is a national disgrace”.

Defence Minister Richard Marles did not respond to questions by deadline.

The revelation comes as US President Donald Trump on Wednesday (Thursday AEDT) imposed sanctions on Russia's two largest oil companies,

[\[https://www.afr.com/world/europe/trump-sanctions-russian-oil-as-putin-test-fires-nuclear-arms-20251023-p5n4ng\]](https://www.afr.com/world/europe/trump-sanctions-russian-oil-as-putin-test-fires-nuclear-arms-20251023-p5n4ng) and raises pressure on the Albanese government to match the EU ban on Russian-linked imports through third-party countries.

Before Russia's invasion of Ukraine, India bought virtually no crude oil from Moscow. But since 2023, it has emerged as the single largest buyer of Russian seaborne oil, capitalising on steep discounts triggered by Western sanctions. Today, Russian crude accounts for roughly 40 per cent of India's total oil imports.

India's growing reliance on Russian oil has raised the ire of Trump, who slapped an extra 25 per cent tariff on Indian exports to the US in August as punishment for the trade.

The EU has pledged to ban so-called third-party imports of Russian refined products from January 2026, but the Albanese government has been unwilling to follow suit.

The EU has been joined by the UK government, which announced last week that it would also ban imports of oil products refined in third countries from Russian crude oil.

"While the US, UK and EU have all said, 'enough is enough', Australia refuses to act decisively. Every day of delay, every tanker containing refined Russian crude that docks at our ports, every dollar that flows to Putin is a deliberate choice. This blood oil loophole must be closed now," said Argyrou.

Jamnagar has become a flashpoint in debates over Russian oil, with the Centre for Research on Energy and Clean Air estimating Russian crude made up as much as 55 per cent of its feedstock in the first four months of 2025.

The refinery – the world's largest – is owned by Reliance Industries, whose chairman Mukesh Ambani is Asia's richest person with a net worth of \$US108 billion.

Viva and Vitol collectively imported about 188,000 tonnes of oil from the Jamnagar refinery into Australia in 2024, and another 32,000 tonnes so far this year.

Vitol has also imported about 177,000 tonnes of oil from New Mangalore refinery since 2024, where Russian crude accounted for between 35 per cent and 40 per cent of its imports in the three months to September, according to Reuters.

Vitol did not respond to a request for comment.

Independent senator Fatima Payman, who has been campaigning against third-country fuel imports, said it was a bizarre situation that the military could be fuelled by sanctioned Russian oil.

“But this isn’t just about tanks being fuelled by Russian oil,” Payman said.

“I’m also concerned that when I drive home today or when I fly to Canberra on Sunday, that I could be unknowingly contributing to Putin’s war efforts.”

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