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Gazprom and Shell Join Forces

By The Moscow Times

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Gazprom and Royal Dutch Shell agreed to expand cooperation in "new markets" as well as in Russia.

Gazprom is seeking to take part in Shell's oil and gas production and exploration projects in third countries, while the two companies will look at new joint projects in western Siberia and eastern Russia, the gas export monopoly said in an e-mailed statement Tuesday.

"We have ahead of us new large-scale projects and expansion of joint participation in new markets," Gazprom chief executive Alexei Miller said in the statement. Miller signed the accord with his Shell counterpart, Peter Voser, in Moscow Tuesday.

Shell identified western Siberia, where it works on the Salym group of fields, and deposits off Sakhalin Island as "key geographical areas," Vera Surzhenko, a spokeswoman at Shell in Moscow, said. A working group will define joint international projects, she said.

Joint projects in oil and gas processing and marketing in Russia and Europe are also possible,

Gazprom said.

Gazprom, took control of the Sakhalin-2 venture in the Far East from the Hague-based company in 2007, following Russia's pressure on budget overruns and environmental issues. Sakhalin-2, where Shell now holds 27.5 percent, started liquefied natural gas production in 2009, reaching full capacity of 9.6 million metric tons this year.

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