

Total Joins BP, Exxon in Rush for Offshore Oil Riches

By [The Moscow Times](#)

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Total is in talks with Rosneft about joint development of fields in the Barents Sea inside the Arctic Circle and in the Black Sea, Pierre Nerguararian, head of the Paris-based company's Russian office, told reporters Wednesday.

Total, Europe's third-largest oil producer, is joining bigger rivals ExxonMobil and BP in pursuing Russia's underwater riches as conventional deposits become harder to find. BP last month agreed to swap 5 percent of its shares for 9.5 percent of Rosneft as part of a drive to extract billions of barrels of crude from offshore Arctic deposits. Exxon, the biggest traded oil company, followed two weeks later with a \$1 billion accord to explore the Black Sea with Rosneft. Russia's biggest oil producer also has a preliminary deal to explore a separate Black Sea block with Chevron Corp.

"The interest in offshore fields is accelerating," Valery Nesterov, an oil and gas analyst at Troika Dialog, said by telephone. "Russia's activity in the Arctic has had some sort

of domino effect, which has boosted interest in the area."

Rosneft, chaired by Prime Minister Vladimir Putin's point man for the energy industry, Igor Sechin, aims to be a global producer "on all continents," onshore and offshore, chief executive Eduard Khudainatov said in December.

The Black Sea is the most promising offshore region in the short term because companies from littoral states Turkey, Romania and Bulgaria are already exploring there, Nesterov said. "Russia has certain priorities and it's clear that the Arctic will be the last to be developed," he said.

The Arctic region, mainly in Russia's zone, holds about a fifth of the world's undiscovered and commercially viable oil and gas reserves, according to U.S. government estimates.

Total already has a Russian partner in the Arctic, working with Gazprom on the giant Shtokman field, which holds about 3.9 trillion cubic meters of gas, enough to meet current global demand for more than a year.

The French company is also bidding for as much as 25 percent of Tarko-Sale-based Novatek's project to produce liquefied natural gas on the Yamal Peninsula, Nerguararian said.

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