

Lithuania Says U.S. Gas Cheaper Than Gazprom's

By The Moscow Times

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Lithuanian Energy Minister Arvydas Sekmokas said the price offered by the United States' Cheniere Energy for gas supplies would be at least 25 percent lower than the country pays Gazprom.

Cheniere, the Houston-based liquefied natural gas terminal owner, is also considering an investment of as much as 20 percent in Lithuania's LNG terminal in Klaipeda, Sekmokas said Friday at a news conference in Vilnius.

Klaipedos Nafta, which operates Lithuania's oil terminal on the Baltic Sea, is negotiating possible gas supplies from Cheniere to help the country diversify from sole supplier Gazprom. The government is also in talks over gas imports from Norway and Qatar, Sekmokas said.

Klaipedos, which is 71 percent owned by the state, wants to build the country's first LNG terminal with a capacity of as much as 2.2 million tons. The terminal may cost 200 million

euros (\$284.8 million) and is expected to be online in 2014, Sekmokas said.

Prime Minister Andrius Kubilius said in the same news conference that the government is beginning the construction of the terminal on its own and may invite private investors in later stages of the project.

Iraq agreed to ensure long-term supplies of natural gas to the European Union to help the region diversify its energy sources, the European Commission said, Bloomberg reported Friday.

The commission and the Iraqi government will work to identify the export gas volumes that could be used, according to a statement released Friday in Brussels. The EU, which is now dependent on Russia for about a quarter of gas imports, is seeking to develop the so-called southern corridor of new supply routes and sources.

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