

Gazprom and Rosneft in Sales Talks

By The Moscow Times

June 27, 2011



Gazprom is in talks with Rosneft to create a joint venture for gas sales, Gazprom's head of gas marketing said Monday.

"We are having those kind of discussions [on forming a gas sale joint venture] ... with Rosneft," Kirill Seleznev said at a news conference on domestic gas supplies.

He added that Gazprom already has joint ventures for gas sales with the second- and thirdlargest oil companies in Russia, LUKoil and TNK-BP. Rosneft is the country's largest oil company.

Striking a deal with Gazprom to gain access to its pipeline and distribution network is key for oil producers looking to develop fields that have large gas layers and to reduce the amount of associated gas flared into the atmosphere at other sites.

Rosneft said in December that it plans to start producing gas from its Arctic Kharampurskoye deposit in 2012, when it expects to receive access to Gazprom's pipeline network.

The state-controlled oil firm is also in talks with Gazprom on the possibility of selling gas to China.

Last year, LUKoil, Russia's top non-state oil company, signed a cooperation agreement with China's National Petroleum Corporation envisioning sending gas to China from LUKoil's production assets in Uzbekistan, a move that would enable the company to sell gas to the world's largest energy consumer without having to strike a deal with Gazprom, which has a monopoly on gas exports from Russia.

Original url: https://www.themoscowtimes.com/2011/06/27/gazprom-and-rosneft-in-sales-talks-a7867