

Total Gets Yamal Buy Approval

By [The Moscow Times](#)

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The government approved on Wednesday the purchase by France's Total of a stake in a major Arctic natural gas project, Yamal LNG, clearing another hurdle for its development.

It appears that Total will buy the 20.5 percent interest from Novatek, the Russian gas producer that already owns 51 percent in the project and has the option to buy the remaining 49 percent from the other current shareholders.

Prime Minister Vladimir Putin referred to the French company as "our long-time, good and reliable partner" before the special foreign investment commission, which he chairs, backed the deal.

Yamal LNG is scheduled to produce its first liquefied natural gas in 2018, Putin said Wednesday. Other foreign partners, including from Qatar and India, may join the project, Novatek has said.

The Novatek-led effort represents Russia's determination to expand its share of the market

of the gas, which is shipped by tankers. The market — now dominated by Qatar — offers more flexibility in choosing customers.

The government agreed to provide tax breaks for Yamal LNG and help with building some of the required transportation network. Together, the state and investors will spend at least 1 trillion rubles (\$35.7 billion) getting the gas to market, including the construction of tankers and a new Arctic port, Putin said Wednesday.

Without the tankers and the port, Novatek has said it would cost 15 trillion to 20 trillion rubles to develop the project.

Total paid \$4 billion in April to become a Novatek shareholder, buying 12 percent of the country's second-biggest gas producer after Gazprom.

Yamal LNG, whose other current shareholders include Gennady Timchenko and — reportedly — Pyotr Kolbin, plans to lift its gas from the giant Yuzhno-Tambeiskoye field.

Total is also a partner in a Gazprom-led plan to develop another Arctic natural gas field, Shtokman, in the middle of the rough Barents Sea. The final investment decision on that effort has been delayed several times and is now expected by the end of this year.

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