

Ukraine Eyes Shale Deals, Naftogaz Sale

By [The Moscow Times](#)

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Parliament deputies Friday in Kiev blocking the podium to protest a plan to reform oil and gas company Naftogaz. **Anatolii Stepanov**

KIEV — Ukraine is tendering for the exploration and development of two large shale gas deposits, which could attract bids from global energy majors, the State Geological Service said.

The government will accept bids until April 23, and winners will be able to enter production-sharing agreements with state mining and energy company Nadra Ukrainy.

"The results will be announced at the end of April," Marina Pekarchuk, a spokeswoman for the geological service, said Friday.

One contract area, Yuzovska, is located in the eastern Donetsk and Kharkiv regions. The other, Olesska, is in the western Lviv region.

Ukraine's State Geological Service estimates that the Yuzovska area has reserves of 2 trillion

cubic meters and would require \$250 million to \$300 million in exploration investments, and that Olesska has reserves of 800 billion to 1.5 trillion cubic meters, requiring \$150 million to \$200 million to explore.

Meanwhile, Ukrainian opposition parties blocked the rostrum in parliament to stop voting on draft legislation they say would permit the sale of state energy company Naftogaz Ukrainy, whose pipelines handle 80 percent of Russia's natural gas shipments to Europe.

The government wants to split Naftogaz into separate entities, focusing on extraction and sales, before selling shares in them to investors, Prime Minister Mykola Azarov said in September.

It "doesn't concern privatization," according to parliament speaker Volodymyr Lytvyn, who said the parties were "showing off" by pretending "to protect national interests."

The European Union has urged Ukraine to reorganize Naftogaz before it will assist in upgrading the money-losing company's pipelines.

(Reuters, Bloomberg)

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