

E.ON Values Gas Deals With Novatek at \$22Bln

By [The Moscow Times](#)

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E.ON Russia said Tuesday that it had put the value of gas supply deals with natural gas producer Novatek at 702 billion rubles (\$22.04 billion).

Separately, Novatek said in a regulatory filing that it agreed to supply gas to a Russia-based power plant owned by Finnish utility Fortum, with the 15-year deal valued at 14.6 billion rubles.

Last week, E.ON Russia, controlled by Germany's utility E.ON, agreed to buy gas from Novatek for its power plants until 2027, choosing not to prolong deals with the world's top gas producer, Gazprom.

Both new deals with E.ON Russia and Fortum will see Novatek supplying them with over 180 billion cubic meters of gas during the contractual period until the end of 2027, almost three times higher than Novatek's current annual output.

Novatek, controlled by Gunvor trading house co-owner Gennady Timchenko and chief executive Leonid Mikhelson, has been winning lucrative gas supply deals at Gazprom's expense.

Novatek said it will deliver natural gas to the Smolenskaya power plant, the Surgutskaya GRES-2, the Shaturskaya GRES and the Yayvinskaya GRES power stations of E.On, as well as to the Nyaganskaya GRES and power stations of Fortum in Chelyabinsk.

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