

Kiev and Ashgabat Reach Gas Agreement

By [The Moscow Times](#)

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ASHGABAT, Turkmenistan — Ukraine reached a tentative agreement with Turkmenistan on Wednesday to resume imports of natural gas from the energy-rich Central Asian nation.

The deal marks a breakthrough for Ukraine, which is seeking alternatives to Russian imports to meet its energy needs. Until 2006, Turkmenistan supplied Ukraine with 36 billion cubic meters of gas annually in exchange for cash and goods.

However, completion of the deal between Ukraine and Turkmenistan would require the consent of Kazakhstan and Russia as transit nations. Kazakhstan will be unlikely to pose an obstacle, but Russia, which has sought to dominate gas supplies to Europe and engaged in bitter energy disputes with Ukraine in the past, may not be forthcoming.

Ukrainian Energy Minister Eduard Stavitsky said the agreement was signed after talks between Ukraine's President Viktor Yanukovich and his Turkmen counterpart, Gurbanguli

Berdymukhamedov. He would not give a specific volume.

Yuriy Boiko, Ukraine's deputy prime minister, told The Associated Press that Ukraine in the future could also help Turkmenistan develop its energy riches. According to official estimates, Turkmenistan holds more than 30 trillion cubic meters in total gas reserves. Ukraine may also resell gas to other European markets.

The pipelines running from Turkmenistan via Kazakhstan and Russia to Ukraine have had spare capacity since Moscow sharply reduced its purchases of the Turkmen gas in 2009 in the aftermath of the global financial crisis. But Russia may push Ukraine for concessions on other issues as a condition for allowing the transit of Turkmen gas.

Moscow long has pushed for control over Ukrainian pipelines carrying Russian gas to the EU and has prodded Ukraine to join a Russia-dominated economic bloc. Earlier this week, the Ukrainian edition of business daily Kommersant said that the countries have been holding talks on creating a joint consortium to manage the Ukrainian gas transportation system.

Meanwhile, Russia's state-controlled Gazprom gas monopoly has been demanding that Ukraine pay back a \$7 billion debt, a claim Kiev disputes.

n The Ukrainian government has given the go-ahead to a delayed Black Sea energy exploration deal with U.S. firm Vanco, which was halted by the previous government of Yulia Tymoshenko, Reuters reported.

Government website kmu.gov.ua showed an order rescinding a 2008 resolution which had annulled the license granted to Vanco International under a 30-year production-sharing contract for exploration near Kerch on the Crimean peninsula in the Black Sea.

Vanco outbid ExxonMobil and Royal Dutch Shell in 2006 to win the right to develop an area of just under 13,000 square kilometers about 13 kilometers offshore.

But Tymoshenko, now in jail for alleged abuse-of-office which she denies, in May 2008 unilaterally withdrew from the agreement, saying she was acting to protect state interests.

Yanukovich's government has chosen a consortium led by ExxonMobil and Shell to develop another Black Sea field at Skifska, has signed a production-sharing agreement with Shell for shale gas exploration and is seeking foreign investors to help it build a liquefied natural gas terminal on the Black Sea coast.

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