

Gazprom, Novatek Fail to Reach Deal on LNG Ventures

By [The Moscow Times](#)

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Gazprom and Novatek have failed to agree on the terms of investment in a number of joint ventures in the Yamal-Nenets Autonomous District, Vedomosti reported, citing sources close to both parties.

In April last year, the two companies signed a cooperation agreement to carry out two liquefied natural gas (LNG) production projects on the Yamal Peninsula and one oil and gas development project on the Gydan Peninsula.

One of the LNG ventures was to be at the Tambei fields, where gas reserves are estimated at 1.56 trillion cubic meters. But in April, Gazprom announced that the company would most likely produce LNG there without the assistance of Novatek.

It is not clear if a long-running dispute between the two companies has affected the negotiations on the joint ventures.

"From the very start, the joint venture with Gazprom has raised issues of economic feasibility for Novatek. The project with Gazprom did not include Yamal LNG and it's not clear why Novatek needed another project so close to its own [Yamal LNG project]," said Andrei Polishchuk, an analyst at Raiffeisen Bank.

Despite the failure of both companies to reach any agreement, the negotiations are expected to continue.

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