

Novatek Purchases Entry Onto Polish LNG Market

By [The Moscow Times](#)

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Independent gas producer Novatek has become the second Russian presence on the Polish gas market after buying storage facilities and a retail network for liquefied petroleum gas from Statoil Fuel & Retail Polska.

The acquisition will allow Novatek to tap the Polish LPG market, which is estimated at more than 500,000 tons per year and worth over 300 million euros (\$396 million), Kommersant reported.

Poland currently receives 60 percent of its gas, 16 billion cubic meters each year, from the Russian state-owned gas titan Gazprom.

Novatek's local subsidiary Novatek Polska announced the purchase on Monday without disclosing the deal's value.

The distribution network of almost 300 gas stations would be valued at about \$350 million, according to Grigory Birg, co-director of independent analytical agency Investcafe.

Poland is the key market for Novatek, which last year exported more than half of the 470,000 tons of LPG produced by the company.

The company plans to continue vertical integration by acquiring distribution assets in its export markets. In 2011 Novatek bought Intergaz-System, a major European LPG distributor based in southeast Poland.

Birg notes that Novatek would be able to supply its Polish subsidiary with gas by taking advantage of its new gas terminal in the Baltic seaport of Ust-Luga.

Novatek has also said it would send half of the liquified natural gas output from its planned Yamal LNG facility to Europe.

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