

Vneshekonombank to Help Fund Novatek Liquid Gas Plant

By [The Moscow Times](#)

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State-owned Vneshekonombank (VEB) is prepared to provide project financing for independent gas producer Novatek's planned liquid natural gas plant in the Yamal-Nenets autonomous district, with China being touted as a possible partner, VEB's chairman said.

A Novatek spokesman confirmed that negotiations are underway.

VEB would invest in the project through the Russian Direct Investment Fund (RDIF) either directly or in cooperation with a joint Russian-Chinese fund created by the China Investment Corporation (CIC), chairman Vladimir Dmitriyev said, Interfax reported Tuesday.

CIC and RDIF are not discussing the possibility of becoming shareholders in the project, unidentified employees at VEB and Novatek said, Vedomosti reported Wednesday.

Energy Minister Alexander Novak paved the way for the arrangement with an announcement

Tuesday that both the Yamal LNG project and Rosneft's planned LNG facilities will receive permission to export liquefied natural gas independently by the end of the year, Prime reported.

Gazprom previously held a monopoly on the export.

The price of the project is estimated at \$20 billion and will result in a plant with a production capacity of 16.5 million tons of liquefied natural gas a year. The first stage of construction is planned for early 2017.

Novatek currently owns an 80 percent share in the project with the other 20 percent held by French oil giant Total. China's state-owned CNPC energy company has signed a contract to purchase a 20 percent share from Novatek in a deal that is set to close in December.

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