

France's Total Seeking to Swap its Way out of Shtokman

By [The Moscow Times](#)

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French oil and gas giant Total is looking to swap its 25 percent stake in development of the Shtokman natural gas field for a share in another Gazprom project, Vedomosti reported Wednesday.

One candidate for the trade-off is Gazprom's planned Baltic liquefied natural gas project in the Leningrad region, provided that Total could get both a share in gas extraction and the ability to liquefy its own gas at the plant, one unidentified individual close to the negotiations said.

Information from within Gazprom varied, with one source calling the swap "possible" while another said that Gazprom was opposed to the idea.

Other potential participants in the Leningrad region project include Royal Dutch Shell and leading Russian independent gas producer Novatek, whose co-founder Gennady Timchenko

has expressed interest.

Spokesmen for Total and Gazprom declined to comment.

Shtokman Development AG was formed in 2008 by Gazprom, Total and Statoil, who then held 51 percent, 25 percent and 24 percent shares respectively.

The company was to become owner and operator of infrastructure at the Shtokman field in the Barents Sea, one of the largest natural gas fields in the world, for a period of 25 years.

The shareholders agreed either to sign a final investment decision by 2012 or to part ways, with Gazprom obliged to buy back the foreign companies' shares.

The high costs of developing the field caused repeated delays, and in 2012 Statoil sold its share to Gazprom for \$340 million.

Total continued its involvement in the project, but in May this year Gazprom deputy CEO Andrei Kruglov said the project would be left to "future generations," and in August a tender to build an LNG factory in the Murmansk region was cancelled.

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