

On the Heels of Gazprom, Rosneft Eager to Export Gas to Asia

By The Moscow Times

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BLAGOVESHENSK, Russia — Russia could significantly boost its natural gas sales to Asia if companies other than Kremlin-controlled Gazprom secured exporting rights, documents from Russia's top oil producer Rosneft showed.

President Vladimir Putin has urged domestic companies to forge closer ties with energy hungry Asia as European markets, which have been the key selling point of oil and gas from Russia, intensify their search for alternative supplies after imposing sanctions on Russia over Ukraine.

Gazprom clinched a long-awaited \$400 billion deal on Wednesday to sell 38 billion cubic meters of gas to China annually starting from 2018. The company has monopoly rights to sell Russia gas abroad via pipelines.

According to the documents, seen by Reuters, Rosneft said Russia would be able to boost gas sales to Asia to 60 bcm per year by 2025 if other companies were allowed to export the fuel. This is compared to the more than 160 bcm Gazprom supplied to the European Union and Turkey last year.

Rosneft has long been looking to break Gazprom's monopoly on gas exports and last year managed to secure rights to ship sea-borne liquefied natural gas abroad.

The documents, part of a presentation for Rosneft's Southeast Asian expansions plans, also showed that Rosneft estimates far-flung eastern Siberia gas reserves at 7 trillion cubic meters and sees the region's long-term producing potential at 200 billion cubic meters a year.

Russia's push towards Asia comes as West has introduced Ukraine-related sanctions, including on Rosneft's Chief Executive Officer Igor Sechin, who said the measures so far had failed to hurt his work with U.S. partners or him personally.

Saying he had no accounts or property in the United States, Sechin told reporters: "So they [the sanctions] have a theoretical character for me personally. We will continue to work and this has no impact on our work with U.S. partners. We appreciate the cooperation."

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Sechin also said Rosneft had not initiated a push to privatize a stake in the company, but would go along with it if the government so wished, hinting at his dissatisfaction at reports that Russia could sell 19.5 percent of the oil producer.

"First of all, I would like to draw your attention to the fact that we do not comment on statements from federal bureaucrats ... but we are ready to fulfill any directive," he said in Russia's far eastern city of Blagoveshensk.

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