

LUKoil and France's Total Agree Deal to Tap Siberian Tight Oil

By [The Moscow Times](#)

May 23, 2014



LUKoil, and Total agreed to set up a joint venture to tap vast tight oil reserves in Siberia.

Russia's No.2 oil producer, LUKoil, and France's Total agreed on Friday to set up a joint venture to tap vast tight oil reserves in Siberia.

The companies signed the deal on the sidelines of the St. Petersburg International Economic Forum. Vagit Alekperov, the head of LUKoil, said the venture with Total would develop fields with around 500 million barrels of reserves.

Total said in a statement seismic acquisition will start in 2014 and exploration drilling will follow in 2015. The deal finalizes a preliminary agreement signed in December last year.

"Total's entry into the Bazhenov play, one of the world's largest shale oil formations, reinforces our position in nonconventional hydrocarbons, where the group has developed significant experience," said Total CEO Christophe de Margerie.

The French oil major said last month it expected the biggest share of its oil and gas output to come from Russia by 2020 and plans to stay there for the long haul despite tensions with the West over Ukraine.

Total will join majors ExxonMobil, Statoil and Royal Dutch Shell in developing Russian shale oil, a major part of Moscow's efforts to at least maintain its oil output at more than 10 million barrels per day.

The U.S. Energy Information Administration estimates the possible shale oil resources in Russia at 75 billion barrels, more than the 58 billion held by the U.S., the current leader in shale oil production.

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