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Despite Sanctions, Exxon Starts Drilling for Oil in Russian Arctic

By The Moscow Times

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A Rosneft icebreaker in the Kara sea last winter, where the joint Exxon-Rosneft rig began drilling on Saturday.

U.S. oil giant ExxonMobil began drilling in Russia's Arctic on Saturday, despite Western sanctions imposed on its Russian partner Rosneft, and was hailed by Russia's president as a model of "cooperation."

Although U.S. sanctions over the crisis in Ukraine are not designed to halt joint projects by Russian and U.S. companies, they nevertheless aim to starve Rosneft of dollar financing and ban access to modern technology.

"Today commercial success is driven by efficient international cooperation," Vladimir Putin told Rosneft CEO Igor Sechin and Glenn Waller, ExxonMobil's lead manager in Russia, on a videoconference call from his Black Sea residence in Sochi.

"Businesses, including Russian and foreign companies, perfectly realize that, and despite certain current political difficulties, pragmatism and common sense prevail, and we are pleased to hear that," he said.

Exxon brought a rig from Norway to drill Russia's first well in the Kara Sea, and its move will be seen as a vote of confidence in Rosneft, run by a close ally of Putin's, Igor Sechin, who has also had sanctions imposed on him by Washington.

"We, of course, welcome this approach [to cooperate] and, from our side, are open to expand our cooperation," Putin said.

"I am convinced that the joint projects between Rosneft, Exxon Mobil and other companies will benefit our national economies, will contribute to strengthening the global energy situation," he said.

Waller, who spoke Russian, said the company was keen to keep working in Russia.

"Our cooperation is a long-term one," he said. "We see big benefits here and are ready to work here with your agreement."

The United States and the European Union have introduced sanctions, from asset freezes and visa bans for businessmen and officials thought close to Putin, to limits on access to Western capital for Russian state banks over what Western powers say is Moscow's role in the Ukraine crisis.

Moscow has responded by banning food imports from the United States, European Union, Australia, Canada and Norway, with Prime Minister Dmitry Medvedev threatening further counter-sanctions if the West presses ahead with more penalties.

See also:

Exxon Oil Rig Tests Russian Waters and U.S. Sanctions

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