

If Western Oil Majors Leave Russia, Asian Companies Will Replace Them, Minister Says

By [The Moscow Times](#)

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Asian companies will replace Western majors if they quit energy projects in Russia due to sanctions over Moscow's role in Ukraine, Natural Resources Minister Sergei Donskoi said.

Donskoi said Asian companies had signaled their interest as the United States targeted cooperation with Russia in exploring or producing oil from the Arctic offshore, deep water or shale projects. Those companies affected by the sanctions have until Sept. 26 to stop work.

"They [Asian companies] have showed their interest," Donskoi said in an interview at the Reuters Russia Investment Summit.

"We have many companies, not only from the developed countries, but also from developing markets, which are ready to work with us," the minister said.

"They have resources and, in some cases, technologies, which can be adapted and developed

here. That's why we have ways to solve the issues and problems related to sanctions."

The remote and unconventional oil deposits are crucial for Russia's goal of maintaining production of crude oil at about 10 million barrels per day and President Vladimir Putin has ordered companies to try to find ways of reducing Russia's reliance on foreign companies for expertise in these areas.

But some analysts say that replacing those companies already involved in exploration would take years, delaying projects which Russia hopes will begin production in about three to five years.

On Friday, ExxonMobil said it would stop drilling in Russia's Arctic but had received a short extension from the U.S. Treasury Department to wind down a rig at the well beyond the 14 days outlined in the sanctions.

According to its partner — Russian state oil company Rosneft — Exxon was continuing exploration drilling on Saturday.

Confidence

Donskoi said Russia had not changed its long-term plans on hard-to-recover oil and was discussing ways to support the exploration sector.

He was confident that Western majors would remain committed to oil and gas projects in Russia after Washington imposed sanctions on Russia's leading energy companies — Russian state gas company Gazprom, its oil arm Gazprom Neft, oil majors LUKoil, Surgutneftegas and Rosneft.

"As for ... foreign companies that work with Gazprom Neft and Gazprom, nobody has announced their intention of leaving a project," he said.

Asked whether Russia could offer stakes in Gazprom's Siberian gas deposit — Kovykta and Chayanda — to Chinese companies, Donskoi said that should be decided by Gazprom.

On Bashneft, whose owner Russian billionaire Vladimir Yevtushenkov was charged with money laundering last week, Donskoi said he had no complaints as to how it was developing its Trebs and Titov oil deposits in northern Russia jointly with LUKoil.

Analysts said Yevtushenkov's arrest may be aimed at putting pressure on the businessman to sell the shares in Bashneft to Rosneft, led by an ally of Putin. Rosneft has denied the allegations.

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