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Russia Offers India Stake in Two Siberian Oilfields

By The Moscow Times

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NEW DELHI — Rosneft has offered stakes in its two east Siberian oilfields to India's Oil and Natural Gas Corp, two Indian sources with direct knowledge of the matter said, as the sanctions-hit Russian company looks beyond Western firms to develop its vast resources.

The sanctions imposed on Russia by the United States and Europe to punish Moscow for its incursion into Ukraine, have cut Rosneft's access to Western financing and technology.

Rosneft has offered an up to 49 percent stake in Yurubcheno-Tokhomskoye and 10 percent share in Vankor field to the state-run ONGC, said the source familiar with the discussions.

"They need money and want to hire partners. They want to demonstrate to the U.S. and Europe that there are partners available for them," said one of the sources.

ONGC would firm up its decision on participation in the two projects before the planned visit

of Russian President Vladimir Putin to Delhi in December, this source said, adding the two fields are in geologically challenging areas.

The European Union has imposed sanctions on Russia's finance, defense and energy sectors and has frozen the assets of some 140 Russian and Ukrainian individuals and companies over Moscow's role in Ukraine.

The sources declined to be identified because of the sensitivity of the matter.

Rosneft declined to comment.

Rosneft's chief Igor Sechin, a close ally of Putin, has been on the U.S. sanctions list since April. Rosneft itself was added to the list in July.

Production at Yurubcheno-Tokhomskoye will start in 2017. The field is to supply Asian markets via the East Siberia-Pacific Ocean pipeline and feed a yet-to-be-built petrochemical plant in Russia's Far East.

In a major about-turn, given the Kremlin's long resistance to allow its powerful neighbor access to such deposits, Putin last month said he welcomed the idea of China joining the prized Vankor field.

Vankor project is vital for Rosneft to meet its growing commitments to supply Asian markets, above all China.

Rosneft is preparing to more than double oil exports to China to over 1 million bpd, seeking to secure market share and billions of dollars in pre-payments.

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