The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Russia's Gazprom Gains Control Over Western Europe's Biggest Gas Storage Facility

By The Moscow Times

October 08, 2014



Despite being painted as an arch villain in Europe's clash with Russia over Ukraine, Kremlin-controlled natural gas giant Gazprom will this fall acquire Europe's biggest underground gas storage facility, German broadcaster Deutsche Welle reported Wednesday.

Gazprom will get the facility, located in a German town of Rehden, under an asset exchange agreement with German chemical conglomerate BASF that was signed and approved by the European Commission last year, before Russia's annexation of Crimea from Ukraine set off an international crisis in March.

That land grab has spiraled into tit-for-tat sanctions between Russia and the West and seen Gazprom halt gas supplies to Ukraine in a bitter price dispute.

The deal giving Gazprom control over the storage facility also sees the Russian company take

100 percent ownership of European gas storage and trading companies Wingas, Wieh and Wiee.

In return, Wintershall, BASF's energy subsidiary, will be granted a 25 percent share in the Urengoi gas field project in Siberia. Peak output at Urengoi, where production is expected to begin in 2016, is expected at 8 billion cubic meters per year.

Original url:
https://www.themoscowtimes.com/2014/10/08/russias-gazprom-gains-control-over-western-europes-biggest-gas-storage-facility-a40204