

Lithuania Curbs Russian Energy Dependence With Floating LNG Terminal

By [The Moscow Times](#)

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The South Korean-made LNG and regasification ship sailing in the Baltic.

With the docking of a liquified natural gas (LNG) ship in port on Monday, Lithuania moved closer to curbing its dependence on gas from Russia.

The Independence, a South Korean-made LNG storage and regasification ship leased by Lithuania from Norway's Hoegh LNG Holdings, could replace all of Russia's annual 2.7 billion cubic meters of gas supplies to the country, Bloomberg reported Monday.

Russia's state gas exporter Gazprom was until recently Lithuania's sole natural gas supplier. Despite being on Russia's border, the former Soviet republic of Lithuania has complained that it pays the highest price for the fuel among the European Union's 28 member states.

Lithuania won a 20 percent discount on the \$488 per 1,000 cubic meters it paid for gas, but it was still beholden to Russia as its only supplier. The new LNG capacity gives Lithuania more

wiggle room in negotiations. Lithuania is also seeking around \$1.6 billion from Gazprom for overcharging for gas between 2004 and 2012 in the Stockholm arbitration court.

The average price paid for Russian gas in the EU is \$385.

Running at full-capacity of almost 4 billion cubic meters, the floating LNG terminal could potentially cover 80 percent of demand of the entire Baltic region. The other Baltics, Latvia and Estonia, are also fully dependent on Russian gas supplies.

But using LNG is not without drawbacks. So far, only Norway's Statoil has offered to supply Lithuania with LNG at the price "in the same range as Gazprom's exports to Lithuania after this year's price reduction," Bloomberg cited Lithuania's energy minister Rokas Masiulis as saying. And that will only cover the terminal's minimum operation levels.

The first independent gas delivery to Lithuania is scheduled to arrive on Tuesday.

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