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Novatek Closes Arctic LNG-2 Deal with Chinese and Japanese Investors

The company intends to keep a 60% stake in the project.

By bne IntelliNews

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An LNG plant will be built in three stages with 6.6 million tons annual capacity each. **Novatek**

Russia's second-largest natural gas extractor and liquefied natural gas (LNG) producer Novatek closed the deal to sell 30% in its next LNG project to Chinese and Japanese investors, the company said on July 22.

The Russian company first offered the deal to sell a 10% stake in Arctic LNG-2 to its French strategic partner, the energy major Total.

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Then in April Novatek cashed in by selling 20% in Arctic LNG-2 to Chinese CNOOC and CNODC, with a 10% stake sold to each. Last month the remaining 10% was pledged to a consortium of Japanese Mitsui and JOGMEC.

The head of Novatek, Leonid Mikhelson, also confirmed the company's intention to maintain a 60% stake in Arctic LNG-2, which would mean that Saudi Aramco's interest in the project will be left unsatisfied.

Previous reports suggested that a 30% stake was the subject of negotiations with Saudi Aramco, while companies from Japan and South Korean KOGAS were also interested in acquiring a share in the plant.

In June Saudi Aramco reiterated its interest in the project, despite claims that it pulled out of the negotiations. Under the $21 billion Arctic LNG-2 an LNG plant will be built in three stages with 6.6 million tons annual capacity each.

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