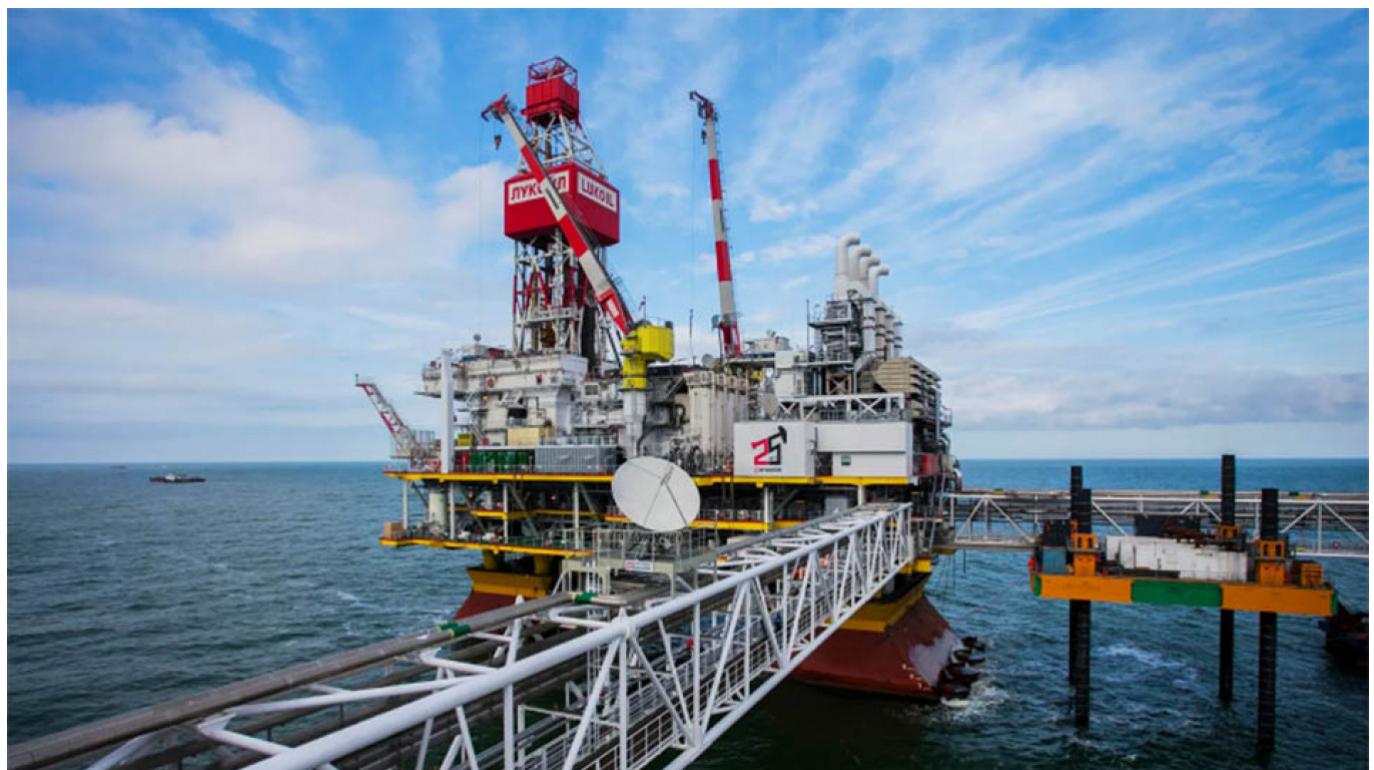




Russia's Lukoil to Abandon Saudi Arabia Gas Project

Russian oil giant to transfer its 80% stake in troubled exploration project to Saudi Aramco.

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Lukoil and Saudi Aramco are still exploring possible joint ventures in Africa and Central Asia, Lukoil CEO said. siluanov.com

Russian energy giant Lukoil will drop-out of a significant gas exploration project with Saudi Arabia's state oil company by the end of the year, its CEO has confirmed.

According to Russian news agency Interfax, Lukoil said Saudi Aramco and the government of Saudi Arabia were not able to make the project "economically feasible" and the Russian company has already started transferring its stake in the exploration company to the Saudis.

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The joint venture between Lukoil and Saudi Aramco was founded in 2004, with Lukoil owning 80% of the company. The pair made a number of significant gas discoveries in Saudi Arabia in the late 2000s, but disagreements over prices, coupled with energy price fluctuations led to repeated production delays.

Lukoil head Vagit Alekperov said despite the set-back in Saudi Arabia, the two firms are still planning to co-operate through joint ventures for exploration in Africa and Uzbekistan.

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