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Novatek to Build $12Bln Arctic LNG Fleet

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The first of Novatek's new projects is scheduled to start production in 2023. **novatek.ru**

Russia's biggest liquified natural gas producer Novatek will buy a $12 billion fleet of up to 42 icebreaking tankers for the Northern Sea Route as part of its Arctic development project, the state-run TASS news agency reported Wednesday.

The vessels will be used to transport the 80 million tonnes of new production that Novatek is planning over the next decade from gasfields on the Yamal and Gydan peninsulas in northern Siberia.

Related article: Novatek Greenlights $21 Billion Russian Arctic LNG 2 Plant

The first of the new projects — Arctic LNG 2 — is scheduled to start production in 2023. Two other sites — Arctic LNG 1 and 3 — are not yet under construction, and Novatek has yet to confirm it is going ahead with a smaller production site, named Ob LNG.

The Russian government has given Novatek permission to order 10 of the new tankers from foreign ship makers because the Zvezda shipyard in Russia's Far East wouldn't have been able

to complete all 42 in time for the first phase of the project.

Shipyards in China and South Korea are likely to be the most competitive bidders for the tender.

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