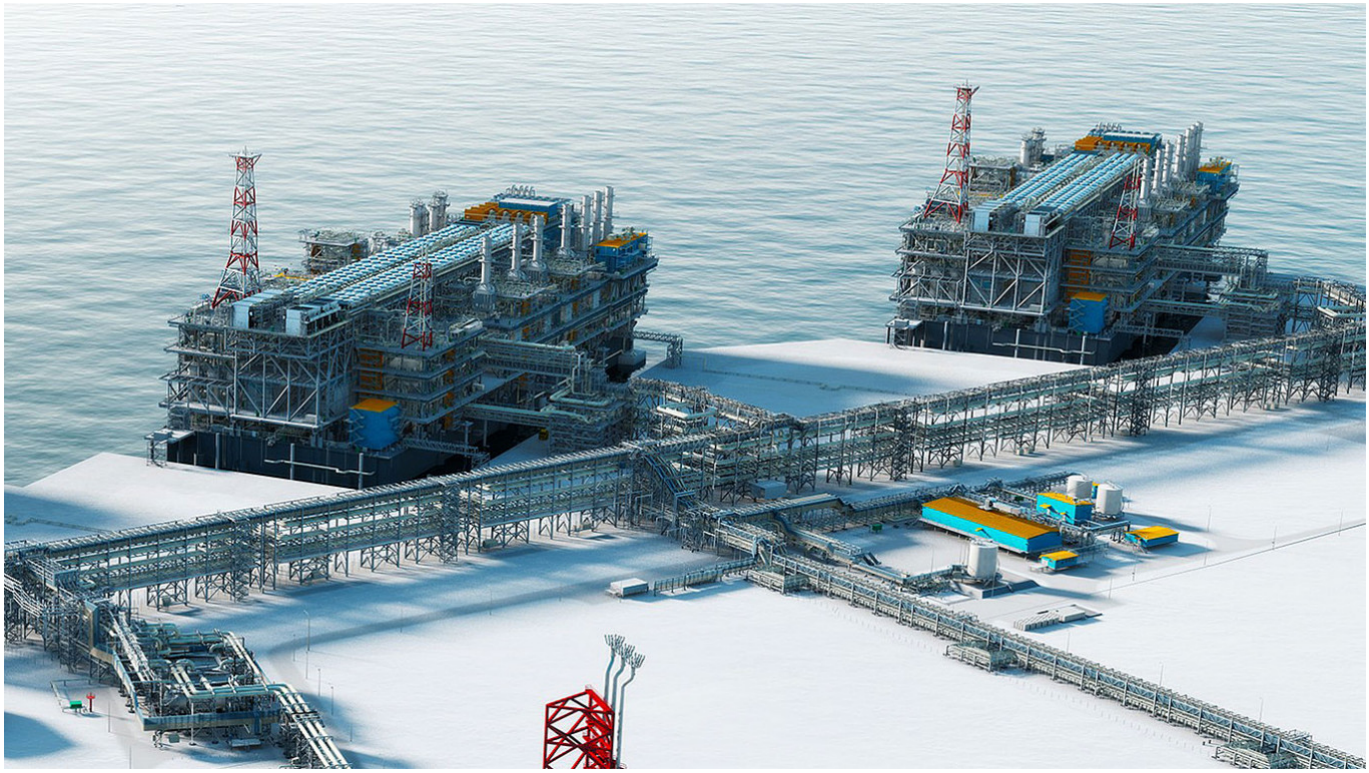
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Baker Hughes Withdraws From Russia's LNG Projects – Kommersant

June 16, 2022



Baker Hughes has reportedly recalled service engineers from Gazprom's Sakhalin-2 and Novatek's Yamal LNG projects, as well as project engineers from and shipments of equipment to Novatek's Arctic LNG-2 still under construction. **Arctic LNG 2**

The U.S. oil industry company Baker Hughes has stopped servicing all of Russia's liquefied natural gas projects, putting the launch of new plants and the further operation of existing projects at risk, the Kommersant daily reported Thursday.

Baker Hughes has reportedly recalled service engineers from Gazprom's Sakhalin-2 and Novatek's Yamal LNG projects, as well as project engineers from and shipments of equipment to Novatek's Arctic LNG-2 still under construction.

"This in effect puts into question the further operation and commissioning of foreign equipment, and also makes it impossible to supply spare parts for its repairs," Kommersant wrote, citing Baker Hughes' unnamed Russian contractors.

Baker Hughes, which has suspended Russian businesses interests in March over Moscow's invasion of Ukraine, has not confirmed the report.

Novatek said in March that it will pause the development of its Arctic liquified natural gas projects after France's Total halted all new investments in Russia.

Last month, Novatek CEO Leonid Mikhelson said plans were still underway to complete Arctic LNG-2's first train in 2023, with the capacity to deliver 6.6 million tons of LNG.

Neither Novatek nor Mikhelson are under U.S. or EU sanctions.

The EU's fifth sanctions package bans the delivery of LNG technology and goods, jeopardizing Russia's target of reaching a 20% of the global LNG market by 2035.

Russia's oil and gas industry is highly dependent on foreign technology. Past energy projects have highlighted the Russian industry's inability to build its own services sector despite years of attempts.

Mikhelson has said that around half of Arctic LNG-2 equipment is locally produced, with the rest expected to be localized within the next two to three years.

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