

Gazprom to allot \$45 billion for LNG projects

Russian President-elect Dmitry Medvedev said that supplies through Sakhalin LNG project would be launched next year. Sakhalin-2 is the core project for developing LNG infrastructure throughout the country, because this is Russia's first liquefied methane facility whose construction lasted over five years.

Gazprom plans to invest around \$45 billion in LNG infrastructure by 2030 to become the major player on the global market that tends to increasingly consume natural gas.

This large inflow can aid implementation of Gazprom's plans, however, lack of technology may harm the Russia giant's prospects.

Gazprom almost did not participate in the Sakhalin plant construction, and it has no experience in subsea field exploration.

This is one of the reasons why Norway's StatOilHydro joined the Shtokman project. Norway has vast experience of logging the North Sea bed and has launched Europe's first natural gas liquefying facility.

In this connection, the long-term \$45 billion plan is associated with finding reliable partners. Since a number of companies have the required technology, the competition for Russia's projects is likely to be tough.

By Kirill Lebedev