

Total Offers Technology to Gazprom

French Total, partnering with Gazprom in the first development phase of the Shtokman field, made a proposal that will be hard to refuse from unless Norway's StatOilHydro comes up with a similar offer.

Seeking commercial benefits and defending the EU interests, European companies want to be part in the Shtokman project and consequent phases, however Gazprom made it clear that it intends to carry on the next phases on its own. The European companies have two things they can entice Gazprom with – capital and technology.

Understanding that Gazprom does not have experience in seabed gas extraction, especially in the northern maritime climatic region, Total was the first to propose to transfer technology for the next development phases. Of course, Total wants guarantees of its participation in the project.

Total's proposal is reasonable: it wants to take part in development of the Shtokman field while Gazprom needs the technology that is crucial for exploiting the deposit. Thus, the monopoly is very likely to accept the offer.

StatOilHydro which is highly experienced in the North Sea offshore development and which launched Europe's first LNG production facility might make a similar proposition. Europe's LNG infrastructure is expanding and more resources will be needed as Europeans diversify the imported fuels and their importers. With the giant Shtokman field located quite close, production costs and the final price for LNG could be reduced.

If the Norwegian company offers its technology to Gazprom, the monopoly will have a choice. Anyway, Gazprom is not likely to cope with the further development stages alone.

By Kirill Lebedev