

European companies leave South Pars project

Seeking energy security and with a view to reducing its reliance on Gazprom, Europe is pulling out of Iran's project to explore the giant South Pars gas field. The planned project would have seen a capacity of up to 9.5 million tons of liquid methane. Great Britain's and the Netherlands' Royal Dutch Shell and Spain's RepsOil are not going ahead with the project over the rising costs, the companies said in an official statement. France's Total is likely to withdraw from the project, too. Alongside the officially announced reasons of the pull-out, the companies are probably caving in to the US pressure.

Under these circumstances, Russian companies – showing interest to various Middle Eastern projects at present - can step in the project; and Iran now has to find a partner.

It is yet unclear whether Russian companies will participate in the field exploration, but Europe will not reduce dependence on Russian gas in the near future.

By Kirill Lebedev