

Japan to fund the second phase of Sakhalin II

The negotiations on funding the second phase of the Sakhalin II oil and gas project proved successful. A consortium of Japanese banks will open a \$5.3 billion credit line to finance the project. The second phase is scheduled for completion by the end of 2014.

The bankers' decision was predictable with Gazprom – that has a positive credit history, government guarantees and the world's largest gas reserves - holding a stake in the project. Besides, almost all reserves of the Sakhalin methane, priced cheaper than Middle Eastern, have been contracted by Japanese companies. Thus, alongside Russia, earlier construction completion will benefit Japan that fears a delay in the launch of gas supplies.

By Kirill Lebedev