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RUSSIA'S GAZPROM TO HELP VENEZUELA DEVELOP GAS SECTOR

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Russian gas giant Gazprom has signed a contract with Venezuela to help plan development of the South American country's natural gas sector, Gazprom said in a statement on Saturday.

Gazprom will develop "a general scheme for development of the gas industry" in Venezuela over the medium and long-term, the statement said.

Gazprom, a state-controlled firm, signed the contract with state-owned Petroleos de Venezuela on Thursday, the same day that Venezuelan President Hugo Chavez met his Russian counterpart Vladimir Putin in Moscow, Gazprom said.

The Gazprom plan will include an assessment of reserves, an estimate of gas demand and help in planning extraction, transport, storage and treatment of natural gas in Venezuela, the company statement said.

Venezuela is the world's ninth biggest producer of oil, according to 2004 figures from the US department of energy, and is a major supplier to the United States.

But Venezuela's extensive gas reserves are believed to be underdeveloped.

The Gazprom statement on Friday said Venezuela had proven gas reserves of 4.1 trillion cubic metres, putting the country in second place in the western hemisphere after the United States.

All of the 30 billion cubic metres that Venezuela produces every year are used domestically, the statement said.

Russia is the second biggest oil producer in the world and controls a quarter of global reserves of natural gas.