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## GAZPROM STARTS BUILDING EASTERN EXPORT GAS ROUTE

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Russia's state-controlled natural gas monopoly Gazprom has agreed with Daltransgaz, a pipeline construction operator, to buy a 350 km leg of the Komsomolsk-on-Amur-Khabarovsk gas pipeline in Russia's Far East. This will be the first sector of Gazprom's eastern export route to China. With Sakhalin-3 being considered a resource base for gas supplies along this route, the Kovykta gas condensate deposit owned by TNK-BP will not be used by Gazprom for gas shipments to China within the next decade.

Alexander Ananenko, deputy chairman of Gazprom's Management Committee, said the company would control the gas transportation system from Sakhalin to Vladivostok, which may be extended further to the Korean peninsula. Ananenko said gas from Sakhalin-3 would be used for shipments to China through the network. The project consists of four blocks. Rosneft, Russia's leading state-owned oil company, holds the license for the first block, Veininsky, with 49 percent; CINOPEC holds 25 percent. The deposit has proven natural gas reserves of 258 bln cubic meters. The other three blocks - Kirinsky, Ayashsky and East-Odoptinsky - are considered promising, and are likely to soon be auctioned. Rosneft has repeatedly announced its plans to deliver Sakhalin gas to Asia-Pacific countries. Sakhalin-3 was to secure stable gas supplies to the region in 2010-2012. However, Ananenko said that since Rosneft is an oil company, it "should handle more oil than gas." "Russia has a unified export channel for supplying gas via pipelines, so gas deliveries via the pipeline system by other companies is not under discussion," Ananenko said. Gazprom's plans for exporting gas to China have hit Rosneft's ambitions to become a gas exporter, and also delay exploration of TNK-BP's Kovykta deposit. Neither the western route (Altai) for gas shipments to China, nor the first stage of the eastern one are obvious targets for shipments from Kovykta. The Gazprom official said that the company would not sell Kovykta gas before 2015.