

# Vietnam Signs Oil Exploration Pact

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HANOI, Vietnam — Vietnam and Russia have agreed to renew their cooperation in oil and gas exploration, extending the life of their joint venture Vietsovpetro, the Vietnamese government said in a statement.

The two signed an agreement Monday in Hanoi that will last 20 years, following a 1991 pact due to end this year, the Lao Dong newspaper reported, following talks early this month after President Dmitry Medvedev visited Vietnam in October.

The government statement said Vietsovpetro would help state oil and gas group PetroVietnam conduct geographical exploration and exploitation of crude oil and gas in Vietnam's territory.

PetroVietnam will raise its stake in the venture to 51 percent and Russian state oil firm Zarubezhneft will own the remaining 49 percent, Vietsovpetro chief executive Nguyen Huu Tuyen said in early December.

The two had been running a 50-50 joint venture since 1981.

Its production has fallen gradually since the 2002 peak of 13.5 million metric tons.

In 2010, Vietsovpetro is expected to have lifted 6.4 million tons, or 129,000 barrels per day, of crude oil, Tuyen said in a government statement Dec. 10.

As such, Vietsovpetro's output represents about 40 percent of Vietnam's annual crude oil production, expected to ease to 15 million tons this year from 16.36 million tons in 2009.

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