

Turkmen Gas Looks Attractive to China

By [The Moscow Times](#)

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China is turning to Turkmenistan for more gas as Gazprom has yet to agree on prices and pipeline routes with Asia's fastest-growing market.

The Central Asian nation might sell China an additional 20 billion cubic meters a year of natural gas, a 50 percent increase from the 40 bcm it plans to supply by 2015, Turkmenistan's First Deputy Prime Minister Baymurat Hojamuhamedov said Thursday in Singapore.

That would boost China's imports from the Caspian country to two-thirds of its 2009 demand.

"Turkmenistan has enormous oil and gas reserves," Oil Minister Bayramgeldy Nediroy said at an oil and gas conference in Singapore on Friday. "There are 160 discovered fields, and 50 under development."

The country, holder of the world's fourth-largest gas reserves, opened a link to China in 2009

as shipments to Russia collapsed following an explosion on a Soviet-era pipeline in April of that year.

Gazprom said in 2009 plans to deliver gas to China would be delayed from that year to 2014 or 2015 as the sides failed to reach a consensus on price and volume. The company aims to close a deal by July to supply 30 bcm of gas a year for 30 years starting in 2015, via the Altai region to China's northwestern border. Supplies of as much as 40 bcm from an eastern route near Russia's Pacific coast may come at a later date, according to Gazprom.

"If they can continue to ramp up volumes from Turkmenistan, it may put pressure on Gazprom to deliver into the east of the country if it wants a deal," Julian Lee, senior energy analyst at the London-based Centre for Global Energy Studies, said Thursday. "I don't think China particularly wants gas in the west."

Turkmenistan will sell 17 bcm of the fuel to China this year and 20 bcm next year, Hojamuhamedov said. Turkmenistan sent 2.59 million tons, or about 2.9 bcm, last year, according to Chinese customs data.

The International Energy Agency estimates that Chinese natural gas demand will rise to 142 million tons in 2015 and 181 million tons 2020.

Russia has begun building a domestic pipe in the Far East to transport gas to Vladivostok, near the Chinese border, from energy-rich Sakhalin Island before 2012. That pipe is slated to have a capacity eventually of up to 47 bcm a year.

Turkmenistan plans to extract as much as 30 bcm of gas a year from the South Yoloten area, and obtained a credit line of \$4 billion from China Development Bank in 2009 for the project, according to the Turkmen government. The country aims to increase gas production fourfold to 250 bcm a year by 2030.

The nation's gas reserves were 8.1 trillion cubic meters at the end of 2009, according to BP's Statistical Review of World Energy. That puts the country fourth in the world, after Russia, Iran and Qatar. Turkmenistan estimates its gas reserves at 21 tcm.

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