

Shtokman Decision Postponed

By [The Moscow Times](#)

April 14, 2011

The  **Moscow Times**

Gazprom, Total and Statoil delayed until the end of the year a final investment decision on the Shtokman natural-gas project in Russia's Arctic waters.

The project is still expected to start production in 2016 for delivery to the Russian and European markets, and liquefied natural gas output will follow a year later, Shtokman Development, the Gazprom-led project's operating company, said in a statement Wednesday.

"The Shtokman project is a priority for all the shareholders," Gazprom chief executive Alexei Miller said in the statement, which included a pledge to decide on investments for the entire project by the end of 2011. "Today we confirmed our interest in its rapid realization."

Gazprom and the partners had planned to decide last month on investment in the Barents Sea field. A decision on liquefying gas for shipment by tanker was to be made by year-end. The project has been delayed on technological uncertainty and concerns that markets are oversupplied.

The United States, once the main target for Shtokman's LNG deliveries, now has sufficient supply from its own gas-shale formations and is "a closed market," said Valery Nesterov, oil and gas analyst at Troika Dialog.

The partners also agreed to separate natural gas from condensate onshore after delivery, instead of at sea on board a production vessel.

"The delivery of clean gas to the shore is significantly more safe," Gazprom deputy chief executive Valery Golubev told reporters in Moscow on April 7. "After what happened in the Gulf of Mexico and Japan, it's important to have a concrete understanding of safety."

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