

Sovcomflot Says Shtokman Requires \$4Bln Ship Fleet

By [The Moscow Times](#)

September 28, 2011

The  **Moscow Times**

The Gazprom-led Shtokman project to produce liquefied natural gas from a Barents Sea field almost 600 kilometers from shore may require a \$4 billion fleet to transport the fuel.

The Shtokman project, which involves Total and Statoil, may require 20 tankers, which in total will cost that sum, Yevgeny Ambrosov, senior executive vice president of Sovcomflot told reporters Wednesday in Yuzhno-Sakhalinsk.

Gazprom and its partners have delayed an investment decision on the Shtokman project to the end of this year as shale gas production in the United States, the target market, damped demand for LNG. That pushed some cargoes to Europe, pushing down prices in a potential market.

Russia's largest shipper is seeking to open an Arctic Sea lane to Asia for large-scale commercial use during a five-month navigable season. Sovcomflot has reduced the time

to navigate the passage by one to 7.3 days in test runs this year, Ambrosov said.

Novatek, Russia's second-largest gas producer, had tested the route with cargoes of condensate before building a plant to produce LNG on the Yamal Peninsula. Rosneft, Russia's largest oil producer, and Glencore International, the world's largest commodities trader, have also shown interest in the route, Ambrosov said.

Novatek's Arctic Yamal LNG project, in which Total is a partner, may be the world's most complex undertaking of its kind, Ambrosov said.

"We are making decisions along the whole transport component of this project and have arrived at a model of possibly using a gas tanker with capacity of about 170,000 cubic meters and ice class of Arc-7, which should operate year-round and be capable of breaking ice 2 meters thick. It will be comparable to nuclear icebreakers," Ambrosov added.

Sovcomflot plans to triple volumes of oil products it ships to 150 million tons in 2014, Ambrosov said. The tanker market continues to be "very tough," he said.

Sovcomflot's investment program for strategic development in the period from 2011 to 2017 "differs from previous programs in that we have decided that development of the ice-class fleet and expansion of our participation in projects related to Sakhalin and Arctic projects would be more effective for us. Considering the demands of the Arctic shelf, we are already gradually updating our fleet," Ambrosov said.

Two shuttle tankers were built at the Admiralty Shipyard in St. Petersburg in 2010. "We hope they will begin to operate in January 2012," Ambrosov said.

The company has acquired an icebreaker supply ship to support offshore platforms for the Sakhalin-1 project. A contract has been signed for the construction of another two multipurpose ice-class supply ships for the Sakhalin-1 project to support the offshore platform at the Arkutun-Dagi field.

The Russian government, which owns 100 percent of Sovcomflot, may sell shares next year.

(Bloomberg, Interfax)

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