

# China, Russia Sign \$1.6Bln Deal on Siberian LNG Project

By [The Moscow Times](#)

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HONG KONG — A subsidiary of Chinese state oil giant China National Offshore Oil Corporation, or CNOOC, has signed a deal worth about \$1.6 billion to build equipment for a liquefied natural gas project in Siberia, the company announced.

Under the agreement, CNOOC's Offshore Oil Engineering Co will build "core modules" for the liquefaction process on the project in Yamal in the Russian Arctic, according to a statement posted Wednesday on CNOOC's website.

Novatek, Russia's second-largest gas producer, is developing the \$27 billion Yamal LNG project with France's Total and China's top energy group, state-owned China National Petroleum Corporation, or CNPC.

The first production unit, with annual capacity of 5.5 million tons, is due to be launched in 2017.

In May, CNPC signed a deal to buy 3 million tons of LNG per year from the Yamal project, as did Russia's Gazprom.

CNPC also agreed in May to buy 38 billion cubic meters of gas per year from Russia's Gazprom, in a deal unofficially valued at \$400 billion.

**See also:**

[Novatek Receives Offer for Yamal LNG Share](#)

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