

RWE, Turkmenistan sign energy pact

Uchenna Izundu

OGJ International Editor

LONDON, Apr. 23 -- RWE AG has formed an energy partnership with Turkmenistan that will focus on gas supplies, upstream activities, and knowledge transfer.

Under a memorandum of understanding, both parties will investigate exporting Turkmen gas to Germany and other parts of Europe, providing supply diversity from Russia and improving energy security.

With other partners, RWE is developing the Nabucco pipeline to deliver gas from central Asia into Europe via Turkey starting in 2014. But meeting the targeted start-up date is challenging because of doubts about the pipeline's financial viability; promises of Turkmen gas supplies would help the project.

Russia is the primary purchaser of Turkmen gas and opposes the Nabucco pipeline.

"There are several options (for shipping Turkmen gas to Europe) and one of them is through the Caspian Sea; and we will work on it," RWE Chief Executive Juergen Grossmann told reporters.

RWE also is keen to explore and produce gas in Turkmenistan's western Caspian Sea.

"They will work on developing oil and gas resources on the 23rd block of Turkmenistan's Caspian shelf," Turkmen President Gurbanguli Berdimukhamedov said after meeting with Grossmann in Ashgabat, the Turkmen capital.

The energy pact was signed after an RWE delegation visited Yagshigeldy Kakayev, chairman of the State Agency for the Management and Use of Hydrocarbon Resources of Turkmenistan.

RWE invited 20 Turkmen experts for training within the company starting this month.

Contact Uchenna Izundu at uchennai@pennwell.com.