Symposium on Pacific Energy Cooperation (SPEC) 2003
Keynote Speech I

Energy Cooperation in Asia-Pacific Region.

By Igor Kozin, Director, Department of Pipeline System Development, Ministry of Energy, Russia

Wednesday, February 12th 2003, Akebono Room, Hotel Okura

1. Perspective Projects of Russian Crude Supply to APR Oil Market

In order to meet growing demand of Russian oil and gas producing companies in transport capacities and to provide for Russian crude flow into APR, development of the system of trunk pipelines is suggested in Eastern regions of Russia. Such a system would supply to the market more than 90 mln tons of crude per year.

Feasibility studies of a few projects had been prepared. These projects anticipate oil pipeline construction in the region routing it to Angarsk – Kazachinskoe – Tynda – Khabarovsk – Nakhodka (Perevoznaya harbor) to export trough the sea terminal in the Perevoznaya harbor; Angarsk – Dajing for oil supply to China; Sakhalin-I – port Decastry; Sakhalin-2 – port of Yuzhnosakhalinsk.

Angarsk – Perevoznaya project realization should be specially emphasized, as it will allow for 50 million tons per year of crude supply to consumer-countries by 2010.
Today state expertise of the project is underway.

Together with Angarsk-Kazachinskoe-Tynda-Khabarovsk-Perevoznaya a feasibility study of Angarsk – Dajing (China) were developed. However, experts of Energy Ministry of Russia consider feasible to put together tracks from Angarsk to Russian federal border. In such a way that all the way up to Tynda should be a single oil pipeline and parameters of the Angarsk – Perevoznaya pipeline should be rethought. From Angarsk to Kazachenskoe pipeline of 1020 mm in diameter and throughput of 50 mln tons of crude oil per year. Farther from Kazachinskoe to Skovorodino (Tynda) – of diameter of 1220 mm and throughput capacity of 90 mln tons of oil a year, from Skovorodino to Perevoznaya harbor another line of 1020 mm in diameter and throughput of 50 mln tons of oil a year. To transmit oil to Russian-Chinese federal border an outlet branch pipeline should be build of 820 mm in diameter and throughput of 30 mln tons of crude. Such a disposition will help to flexible cost management for this cooperative project.

Perspectives on oil and gas production growth on Sakhalin territory linked to offshore development of Okhotsk Sea in the framework off the Sakhalin I and Sakhalin II projects. Works on field development under Sakhalin III – Sakhalin VIII projects will be run in the nearest future.
The most expensive phase of Sakhalin projects is an oil transportation infrastructure development.

Preparations for the pipeline construction to the terminal of De-Kastry (Khabarovsk region). Throughput capacity of this pipeline will be at around 12.5 mln tons of crude oil a year.

In the framework of "Sakhalin II" a project design of pipeline construction of 800 km long to transport oil from northern part of the island to its southern part (Yuzhnosakhalinsk) with production capacity of 10 mln tons of oil per year has been finished.

Later on, after the development of fields under "Sakhalin-III – Sakhalin - VIII projects in order to transport oil produced *ex ante* the pipeline to the De-Kastry and up to the sea terminal in Perevoznaya harbor will be prolonged and thus systems are linked together.

2. Perspective projects of Russian gas supply to Asia Pacific Region

The project of Russian energy strategy up until 2020 assumes a unified program of gas resources development in the Eastern part of Russia. Experts of Russian Ministry of Energy suggest locating a gas line in parallel to oil pipeline, which will cut costs of construction and service of the transportation corridor significantly.

In such a way, it is proposed to realize a project Novosibirsk-Krasnoyarsk-Taishet-Khabarovsk-Pyongyang-Seoul. Optional ways of gas supply to Chinese's People Republic through Tynda, Khabarovsk, Blagoveschensk are considered.

It is also planned to consider Sakhalin - Komsomolsk-na-Amure – Khabarovsk – Tokyo, a gas pipeline project.

The named above pipelines will help gas from Siberian and Far Eastern fields to come out and to meet demand on energy resources of Russian regions and foreign markets, as well as to link up into a sole system the whole network of gas pipeline of Russian Federation. Thank you for your attention.

Contact: ieej-info@tky.ieej.or.jp

Trunk Oil and Gas Pipeline System in Asia-Pacific Regions