
Iran-Armenia gas pipeline operational by spring.

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LONDON, January 31 (IranMania) - A natural gas pipeline linking Iran and Armenia will become operational this coming spring, a spokesman for the Armenian president said.

The construction of the 141-kilometer (90-mile) pipeline from Iran began in 2004. It has a price tag of about \$210-220 mln, including \$120 mln for the Armenian section, RIA Novosti reported.

`The gas pipeline will be commissioned this spring. Only then will it be possible to say whether it will be a transit system. In any case, Yerevan has always been guided by considerations of economic expediency. Economic projects that had a political subtext have always been rejected by the Armenian authorities,` Viktor Sogomonyan said.

Under the current agreement, Iran is to deliver 36 bln cubic meters of natural gas to Armenia over the next 20 years, subject to a possible five-year extension and an increase in deliveries to 47 bln cubic meters.

Armenia plans to use all of the gas to produce electricity for subsequent export to Iran, as well as for domestic consumption.

Sogomonyan also confirmed that Russian energy giant Gazprom was considering a project to build an oil refinery in southern Armenia near the Iranian border.

`I can confirm that Russia's Gazprom is considering the possibility of building an oil refinery in Armenia,` Sogomonyan said, adding that negotiations were in the initial stage.

He said Armenian President Robert Kocharyan had discussed the project during his visit to Russia last week. Russian President Vladimir Putin said after the talks that Russian mobile operator VimpelCom, aluminum company RusAl and Gazprom would double their investment in the Armenian economy to \$1.5 bln.
