
Gazprom, Iran sign oil and gas cooperation memo - paper

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Gazprom and the National Iranian Oil Company (NIOC) have signed a memorandum of cooperation in oil and gas production and transportation, business daily Kommersant said on Tuesday.

The memorandum was signed on Sunday during negotiations in Tehran between Gazprom CEO Alexei Miller, Iranian Oil Minister Gholamhossein Nozari, and NIOC Managing Director Seifullah Jashnsaz.

According to Kommersant, Tehran has offered Russia a full package of projects to develop oil and natural gas fields, build processing facilities and transport oil from the Caspian Sea to the Gulf of Oman.

The document, which stipulates the creation of a joint venture for oil and gas projects, is set to give Gazprom a foothold in Iran, which has the world's second largest gas reserves, totaling 28.13 trillion cu m, after all the major global energy companies have given up cooperation with the Islamic Republic, the paper said.

However, the paper said analysts are cautious about the prospects of cooperating with Iran, as the issue involves complex and delicate factors.

The country is under three sets of United Nations Security Council sanctions for its refusal to halt uranium enrichment, and the United States and Israel have refused to rule out military strikes if Tehran continues with its nuclear program, widely suspected to be a cover for a weapons production.

"A very negative political atmosphere has been formed around Tehran, due to which France's Total, the last foreign company, quit the country. But if Russia drops its attempt to consolidate its positions in the country, it will cede this market to Japan, India and China," Valery Nesterov, an analyst from Russia's Troika Dialog brokerage, said.

At the same time, Mikhail Korchemkin, director of East European Gas Analysis, said the memorandum was a purely political document.

"Iran has no partners left after Total's withdrawal. Meanwhile, Gazprom needs additional gas volumes to honor all its obligations," Korchemkin said.

The agreement between Gazprom and NIOC will exist only on paper until the political situation changes radically, he said.
