

FORBES > BUSINESS > ENERGY

U.S. Energy Companies Could Help Ukraine Win Energy Freedom And Neuter Russia

Ken Silverstein Senior Contributor ⓘ

I write about the global energy business.

Follow

🗨 0

Apr 24, 2023, 08:45am EDT

Listen to article 7 minutes



Silhouettes of onshore oil and gas well in the field outdoors against blue cloudy sky GETTY

1 of 4 free articles



Subscribe to journalism that illuminates, informs and inspires.

Subscribe Now

natural gas powerhouse — a pivotal pathway to winning membership in the European Union and defanging Russia.

Russia has long had a firm grip on Ukraine politically and economically — specifically concerning natural gas. Well before the war, Ukrainians sought to break this broad stranglehold, resulting in the 2014 overthrow of a Russian-backed president. And now Ukraine is vowing energy independence. But its future power lies in becoming a net exporter of natural gas to Europe.

“For years, Russia has manipulated energy in Ukraine to keep us dependent. This year, we are targeting our self-sufficiency — to produce as much gas as we consume. We plan to increase our gas production by 1 billion cubic meters, allowing us to avoid imports. It is absolutely possible,” says Oleksiy Chernyshov, in an interview.

Naftogaz is Ukraine’s largest state-owned energy company, developing oil, natural gas, and some renewables. It produces, refines, distributes, stores, and sells natural gas. It kept 12.5 million Ukrainians warm this winter while Russia waged its war, knocking out electrical grids and central stations.

Ukraine has Europe’s third highest natural gas reserves, behind Norway and the United Kingdom, with 905 billion cubic meters. It produced 70 billion cubic meters in the 1960s and 1970s, falling by more than half in 1991 when Russia shifted production to Siberia. Now it is less than 20 billion cubic meters, adds Chernyshov, with Naftogaz accounting for 75%-80% of that. With an end to war and more foreign investment, Ukraine could achieve energy freedom.

1 of 4 free articles

Subscribe to journalism that illuminates, informs and inspires.

[Subscribe Now](#)

Philippine Media, Power Tycoon Oscar Lopez Dies At 93

Why The Philadelphia Eagles Aren't Trading For The Tennessee Titans' Derrick Henry

However, none of this happens overnight. Ukraine had to import 2 billion to 5 billion cubic meters to sustain its people and economy this winter, relying on domestic production for the rest. Ukraine has been a throughway from Russia to Europe. As such, it has several natural gas pipelines with a 146 billion cubic meters capacity annually. It also has 31 billion cubic meters of storage. While it needs about half of that, Europe could access the balance. Interestingly, some of the Russian natural gas is still flowing through Ukraine. While Ukraine no longer consumes it, it is committed to servicing its European allies.

Forbes Daily: Our best stories, exclusive reporting and Forbes perspectives on the day's top news, plus the inside scoop on the world's most important entrepreneurs.

Email address



Sign Up

You may opt out any time. By signing up for this newsletter, you agree to the [Terms and Conditions](#) and [Privacy Policy](#)

“Cheap gas comes at a price — dependence on Russian gas, which it has weaponized against Europe and Ukraine,” says Chernyshov. “In a couple of years, Ukraine will produce more, which Europe can substitute for Russian gas.” Russia has diverted some of that fuel to support its war effort in Ukraine, which caused prices to spike and a legal dispute over payments due. That transit contract expires next year.

1 of 4 free articles

Subscribe to journalism that illuminates, informs and inspires.

Subscribe Now