

Rosneft Joins Crescent Petroleum in Sharjah Concession

05/06/2010 08:39:40 PM

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WAM Sharjah, Jun 05th, 2010 (WAM)--Crescent Petroleum, the Middle East's leading private oil and gas company and Rosneft Oil Company, Russia's leading oil company, today announced the signing of a Farm-Out Agreement for the Sharjah Onshore Concession.

The Agreement was signed by Badr Jafar, Executive Director of Crescent Petroleum Group, and Sergey Bogdanchikov, President of Rosneft Oil Company, and became effective in the presence of H.E. Igor Sechin, Deputy Prime Minister of the Russian Federation and Chairman of Rosneft Oil Company, and H.E. Omar Ghobash, U.A.E. Ambassador to the Russian Federation.

Under the terms of the Farm-Out Agreement, both Companies will work together to develop the Sharjah Onshore Concession which comprises a large area of 1,243 square kilometers in the Emirate of Sharjah, and which neighbours the prolific Sajaa gas field in production since 1982, and also borders each of the remaining six Emirates of the UAE as well as the Sultanate of Oman.

Rosneft receives a 49% of the Participating Interest in the Concession, with Crescent Petroleum holding the remaining 51%. The current agreed investment plan of approximately AED 220 Million (USD 60 million) will go principally towards initial exploration activities including the drilling of two wells to an approximate depth of 14,800 feet.

The Farm-Out Agreement follows the ground-breaking Strategic Cooperation Agreement between Rosneft and Crescent Petroleum which was signed on 19th May 2010 to jointly develop material oil and gas opportunities in the Middle East and North Africa region.

Badr Jafar, Executive Director of Crescent Petroleum, said "We are pleased and honoured to be joined by Rosneft, Russia's leading oil company, in this exploration and development opportunity here in Sharjah. This partnership reflects the close relationship that has been established, and the positive synergies between the companies - combining Rosneft's strengths with Crescent Petroleum's regional experience and knowledge. This is hopefully the first of many joint projects

together across the region, and we would also like to thank the governments of the UAE and Russia for their support for such beneficial economic cooperation." Rosneft President, Sergey Bogdanchikov remarked that "This is a great beginning of the Strategic Co-operation Agreement between our two companies. We are very excited to now be taking our first positive steps in the Middle East with our role in this Concession. This marks a major milestone for us, and we look forward to achieving many more opportunities together with Crescent Petroleum in the Middle East and North Africa Region." Natural Gas produced from the Concession can benefit from the existing gas transmission and processing infrastructure already in place to process and transport the gas to industrial and end-user consumers in the rapidly growing gas markets of Sharjah and the Northern Emirates. Additionally, the project can also benefit from existing infrastructure in Sharjah to produce condensates and Natural Gas Liquids that can be used locally or exported to international markets.

Crescent and Rosneft intend to draw from the skills and resources of locally-based international and local services companies for the benefit of UAE's economy. The work program includes a budget for local infrastructure development, including the construction of roads and water wells for the local populace whilst preserving the region's natural terrain and ecosystem WAM/MN

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