



Korea-Russia Energy Cooperation

- Achievements at the Summit Meeting and Future Tasks -

2004. 12

러시아
R U S S I A

Ministry of Commerce, Industry and Energy

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1. Cooperative Relation between Korea and Russia

■ Long Historical Tradition

Year 2004

*120th anniversary of Treaty on Friendship and Trade

*140th anniversary of the migration of Koreans to the Russia

■ Since the Establishment of diplomatic ties in 1990,

○ Dynamic and mutually beneficial cooperation has steadily expanded.

< Trade volume between Korea and Russia >



■ Energy Sector : Great potential for cooperation

Russia

2nd largest oil producer and largest gas producer in the world

Korea

4th largest oil importer and 2nd largest LNG importer in the world

2. Significance of the Summit Meeting (2004. 9)

- Elevate the relations between two countries to a higher level

Based on the 14 year-long cooperation, the Korea-Russia relations were declared as a **mutually-trusting, comprehensive partnership**

- Deepen the cooperation in various areas

Both countries agreed to further promote progress **in all areas of trade, investment, and economic cooperation**

- Accomplishments in the energy sector are especially noteworthy

Energy Sector : key area where both countries' national strategies meet

Russia

Development strategy for the Far East and Siberia

Korea

Initiative for Northeast Asian Cooperation

3. Accomplishments in the energy sector

Major points of the Joint Statement < Energy Sector >

① Oil and gas fields development in the Far East and Siberia

“Intensify cooperation in the development of large-scale bilateral and multilateral economic project including the development and transportation of oil and gas”

② Governmental Agreement in Gas industry

“Confirmed intention to conclude the Agreement on Cooperation in the field of Gas Industry in the near future”

“Preparing and realizing long-term programs of the supplies of Russian natural gas to the Republic of Korea”

③ Strategic energy dialogue

“Initiate the strategic energy dialogue between relevant authorities on a regular basis”

3. Accomplishments in the energy sector

※ In addition to the accomplishment in joint statement, both countries agreed to promote cooperation in the development of mineral resources and cooperation between energy research institutes

- **Arrangement for cooperation in the field of Mineral resources development**
 - * Ministry of Commerce, Industry and Energy (Korea) - Ministry of Natural Resources (Russia)
- **MOU for Mineral resources development in the Sakha Republic**
 - * Korea Resources Corporation (Korea) - Sakha Republic (Russia)
- **MOU for Cooperation between energy-related research institutes**
 - * MOU between KEEI (Korea) - State Institute of Energy Strategy (SEIS, Russia)

4. Progress of Follow-up

 **Follow-up measures are being carried out successfully**

 **Details on the progress of the follow-up measures**

○ Oil field development in Russia (KNOC-Rosneft)

- * 2004. 11 : Technical evaluation carried out by KNOC**
- * 2004. 12 : KNOC-Rosneft meeting planned**
- * 2005. : Will sign the contract for development**

○ Agreement on Cooperation in the field of Gas Industry

- * 2004. 11 : Korea's draft sent to Russia**
- * Russian government currently in review of the draft**

4. Progress of Follow-up

○ Strategic Energy Dialogue

- * **Korean government is currently laying out the draft operational plan, which will be sent to the Russian government**

○ Arrangement on Cooperation in the Field of the Mineral Resources Development

- * **2004. 11 : Korea received the revised draft from Russia**
- * **Korea will send its comments to Russia in the near future.**

4. Progress of Follow-up

○ Joint development of mineral resources such as bituminous coal in Sakha Republic

- * 2004. 10 : CEO of Elgaugol visited Korea.
- * 2005. : Korea consider to take part in the bidding of Yakugugol.

○ Cooperation between energy-related research institutes

- * 2004. 12 : Joint seminar (KEEI-SIES)

○ East Siberia Pipeline construction project

- * KNOC is in contact with Transneft.

5. Future Tasks

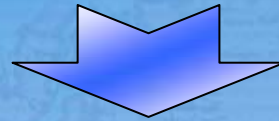
- **Russian energy production base : move to East Siberia**

< Russia >

wishes Korea to participate in capital investment for East Siberia energy development

< Korea >

hope to take part in the East Siberia Energy development project



Bilateral energy cooperation is effective and interactive.

- **To realize substantial outcome, concrete preparations and negotiations are needed.**

There is few successful case of bilateral energy cooperation in the past.
Some Russia's energy and resources development policy is yet undecided.
(e.g. UGSS)

6. Suggestions for stronger cooperation

■ **The two governments will extend full support to explore successful cases of cooperation**

- **Supporting joint development projects such as oil, gas, bituminous coal in Russia**
- **Promoting large-scale energy related construction projects such as oil pipelines in East Siberia**

- **Establish ministerial level Strategic Energy Dialogue soon**
 - **The base of cooperation will be built through ministerial level talks**
- **The Agreement on Gas Industry, the Arrangement in the field of Mineral Resources should be signed soon**
- **The Joint Committee on Energy Cooperation be held in the first half of 2005 in Korea**

A faint, light blue map of Russia and surrounding regions is visible in the background. The map shows the outline of Russia, with labels for 'RUSSIA' and 'KAZAKHSTAN'. The text 'Thank you' is overlaid on the map in a large, bold, black serif font.

Thank you