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## RUSSIA'S SAKHALIN ENERGY BOARD APPROVES LNG SALE CONTRACTS

MOSCOW, April 6 (Prime-Tass) — The supervisory board of Sakhalin Energy, the operator of the Sakhalin-2 oil and gas project near Russia's Sakhalin Island, has approved contracts to sell to the Asia-Pacific region and North America 98% of liquefied natural gas (LNG) to be produced in the project area, Russia's Industry and Energy Ministry said Thursday.

Sakhalin Energy's supervisory board includes representatives of its shareholders, the Russian federal government and the government of the Sakhalin Region.

Since 1996, Sakhalin Energy concluded contracts worth U.S. \$6 billion with Russian companies, including \$900 million in 2005, the ministry said citing data provided by Sakhalin Energy.

LNG and oil exports from the Sakhalin-2 area are expected to start in 2008.

Royal Dutch/Shell Group's subsidiary Shell Sakhalin Holdings BV owns 55% in Sakhalin Energy, while Mitsui Sakhalin Holdings, a subsidiary of Japan's Mitsui, has a 25% stake and Diamond Gas Sakhalin, a subsidiary of Japan's Mitsubishi, holds 20%.

Sakhalin-2's deposits have hydrocarbon reserves of 575 million tonnes in oil equivalent or 9% of total reserves on the Sakhalin shelf.