
Van:

Verzonden: woensdag 10 mei 2006 15:05

Aan:

Onderwerp: FW: Conclusions of the meeting in the Hague

Urgentie: Hoog

Bijlagen: Tanslation.doc; Reply.pdf

Van:

Verzonden: woensdag 10 mei 2006 14:19

Aan:

Onderwerp: FW: Conclusions of the meeting in the Hague

Urgentie: Hoog

zie hier de reactie
svp goed bekijken en mij een concept-reactie geven
alsook aangeven hoe ik de Ned partners het best kan informeren/betrekken

Van:

Verzonden: woensdag 10 mei 2006 14:07

Aan:

Onderwerp: Conclusions of the meeting in the Hague

Urgentie: Hoog

Dear

Thank you very much for your letter dated on April 19, 2006.
I would like to provide you with the Mr. Medvedev's reply.
(Please see attached a copy of the letter in Russian and unofficial translation into English).

Can you please confirm receiving of this email.

I am looking forward to receiving your feedback at your earliest convenience.

Yours faithfully,

International Business Department of Gazprom
Tel.
Fax
Mob.
E-Mail

Unofficial translation

Mr. Brinkhorst

**Minister of Economic
Affairs of the Netherlands**

Dear Mr. Brinkhorst,

I would like to thank you again for our important meeting in Hague on April 12, 2006, when we discussed such important matters, as prospects of increasing natural gas transportation volumes in the Netherlands within the NEGP project realization and the opportunity of gas transportation through Germany and Netherlands on the market of Great Britain by the BBL (Balgzand Bacton Line).

One of the main factors in developing cooperation between our countries in the gas field is our community of interests regarding expediency of providing gas to the ultimate consumers in the Netherlands in conditions of gas market liberalization in Europe and consultations at governmental and corporate levels

in regard to increasing gas transportation volumes in the Netherlands and developing the gas network of your country.

In this connection Gazprom will study the opportunity of participation of N.V.Nederlandse Gasunie in the NEGP project realization, in a package with participation of Gazprom in the BBL

Yours sincerely,

Alexander Medvedev
Deputy Chairman of the Management
Committee of Gazprom



Ministerie van Economische Zaken

Ministry of Economic Affairs

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LSCAND1/000027159

To
 Mr. Alexander Medvedev
 OAO Gazprom
 Ul. Nametkina 16
 117884 Moskou

Date	Your reference	Our reference	Enclosure
29 MEI 2006		ET/CSI / 6040138	

Subject
 Follow up of meeting of 12 April 2006 in The Hague

Dear Mr. Medvedev,

Thank you for your reaction on my record of the meeting of 12 April in The Hague, which I received on 10 May. I welcome its positive tone and the determination of Gazprom to continue the process.

From your reaction I draw the conclusion that Gazprom will come up with a proposal regarding the participation of N.V. Nederlandse Gasunie in the NEGP, assuming that this could be part of a broader package in which Gazprom also can participate in the BBL

We for our part have been discussing the volume commitment,
 Regarding flexibility we are also in touch
 with

In my view we need to prepare a document which should become the basis of agreements on the Dutch participation in the NEGP and related issues. In my view this document should contain the following issues and substance to be agreed upon between the parties involved:

- Dutch Participation in the NEPG
-
- Participation of Gazprom in the BBL
- Gazprom's entry in the Dutch market
- Flexibility-services

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Bazuidenhoutsweg 30	Fax +31 70 3474081	
P.O. Box 20101	Email azpost@minez.nl	
2500 EC The Hague	Website www.minez.nl	Please quote our reference on all correspondence



Ministerie van Economische Zaken

I propose to draft this document as a Memorandum of Understanding (MoU), probably between our governments but obviously agreed in advance between the parties involved.

Therefore I suggest the following: I will take the initiative to draw up a first draft for an MoU, ready within a week from now and sent to you for assessment. I will then contact you not later than 2nd of June for a first reaction. Perhaps it is also possible that my minister meets you and [redacted] on 5 June at the World Gas Conference (WGC) in Amsterdam. Besides it is also possible to meet [redacted] and other potential interesting parties at the WGC. Unfortunately, being abroad I am not able to meet you there. Nevertheless I hope that our contacts and meetings will result in a clear picture of the best format for the Memorandum of Understanding, to be signed by the 1st of July.

There is still one question remaining from your reaction on the minutes of the April-meeting. In this reaction you are relating the offer [redacted]

[redacted]. To my mind, in the meeting your position towards the volume commitment of [redacted] was positive. For the time being and taking into account the good discussions so far, I expect that we will be able to come to terms over a package that is interesting for both of us.

I look forward to your reaction and our future discussion to realise what we started in April in The Hague.

Yours sincerely,
On behalf of Minister Brinkhorst:

Director-General for Energy and Telecom.



Ministerie van Economische Zaken

Ministry of Economic Affairs

To
Gazprom
attn. Mr. Alexander Medvedev
Ul. Nametkina 16
117884 Moskou

Date	Your reference	Our reference	Enclosure
- 2 JUN 2006		ET/CSI / 6042145	

Subject
Draft Memorandum of Understanding NEGP

Dear Mr. Medvedev,

As discussed earlier, I hereby send you a first draft for an MoU between the Russia Federation and the Netherlands.

I hope the text we drafted meets your wishes regarding the understanding between our countries on the further cooperation between Gazprom, and other companies in the Netherlands.

I would suggest to discuss this specific issue shortly in order to solve this to both our satisfaction.

I am sorry that I myself cannot attend the World Gas Conference. It would have been an excellent opportunity to discuss this text and solve possible questions. However, [redacted], will be present and available to meet you. He is fully informed and happy to discuss this with you. We have already tried to contact Gazprom to make an appointment, so I hope that we can get an impression of your first reaction on the text.

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Handled by

Please quote our reference on all correspondence



Finally I would like to inform you that on the World Gas Conference Minister Brinkhorst will meet Mr. Khristenko to discuss with him the proposal to make an MoU. He will also meet _____ to discuss the matter. I hope that both meetings will take place in the same positive atmosphere as our discussion on 12 April 2006.

I look forward to your reaction and hope to be able to meet you shortly to discuss the final details.

Yours sincerely,

Director-General for Energy and Telecom.

CONFIDENTIAL DRAFT

MEMORANDUM OF UNDERSTANDING

On Participation in the North European Gas Pipeline

**Between the Ministry of Industry and Energy of the Russian Federation
and
the Ministry of Economic Affairs of the Netherlands**

The Ministry of Industry and Energy of the Russian Federation and the Ministry of Economic Affairs of the Netherlands, hereinafter referred to as the "Signatories",

whereas both countries are maintaining good energy relations which are part of the broader Joint Action Programme between the Russian Federation and The Netherlands for the period 2006-2007,

whereas a Memorandum of Understanding on cooperation in the area of energy efficiency and renewable energy sources was signed between the Ministry of Industry and Energy of the Russian Federation and the Ministry of Economic Affairs of the Netherlands on 21 April 2006 in Moscow,

whereas both countries have an interest in the construction of the North European Gas Pipeline (hereinafter referred to as "NEGP") as a vital link between the Russian gas fields and the consumers in Western Europe,

whereas close cooperation of both countries and their companies is key in the realisation of the potential of the NEGP for the future gas supply to Europe,

Have come to the following understanding:

CONFIDENTIAL DRAFT**Paragraph 1****Objectives and areas of cooperation**

The Signatories will cooperate to ensure future gas flows from the Russian Federation to and through the Netherlands on sound economic conditions. This cooperation is an extension of their cooperation to energy efficiency and exchange of knowledge and expertise in this area with a view to ensuring efficient, reliable and clean supply and use of gas in both countries. The Signatories will cooperate to facilitate individual commercial negotiations between Dutch and Russia based companies on:

- potential mutual participation in large infrastructure projects as the NEGP and the Balgzand Bacton Line (herein referred to as the "BBL");
- transport arrangements for Russian gas through the Netherlands and potentially the BBL as fixed per long term transport contracts;
- arrangements for a Russian company to create flexible gas profile for Dutch customers in existing storages as fixed per storage capacity contracts or in new Dutch Russian co-developed seasonal storages;
- Gas purchasing arrangements between Dutch based and Russian based companies;
- Exchange of knowledge and information necessary for efficient, reliable and clean operation of facilities mentioned.

The Signatories contemplate that the Commercial Partners as mentioned in Paragraph 3, will conclude agreements concerning the areas of cooperation mentioned in this Paragraph.

Paragraph 2**Forms of Cooperation**

Pursuing the aforementioned objectives will require cooperation and bilateral commercial negotiations of the Commercial Partners Involved. The Signatories will facilitate these negotiations as follows:

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- creation of a good political climate, also through this Memorandum of Understanding (this "MoU");
- in addition to the Commercial Partners identified in Paragraph 3, making an inventory of other commercial Netherlands based companies who may be future potential (end) customers of Russian gas;
- establishing good contacts between the Commercial Partners and these other companies;
- fostering that the Commercial Partners and any other companies involved in the implementation of this MoU will negotiate in good faith and aim at reaching an agreement, contributing to the objectives of this MoU;
- monitoring the progress of the different bilateral negotiations between such Commercial Partners and other companies; and
- contributing to the realisation of the objectives of this MoU by any other appropriate and legitimate means.

The Signatories and the Commercial Partners will take into account that the facilitations mentioned in and the agreements following from this MoU will take place in compliance with the governing legal frameworks.

Paragraph 3
Commercial Partners

In the context of this MoU the following commercial partners (herein referred to as "Commercial Partners") are involved:

(i)

(ii)

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- (iii)
- (iv) Any other Commercial Partner based or operating in the Netherlands suggested by the Netherlands' government and accepted by

Paragraph 4
Negotiations between Commercial Partners

The negotiations between the Commercial Partners will regard the following:

1. will continue negotiations leading to an agreement about the participation of in NEGP C [define], the company [check name] responsible for developing and operating the NEGP from the Leningradskaya region (Russia) to Greifswald (Germany).
2. gas transportation contracts between and for the transportation of natural gas in and through the Netherlands in compliance with the Dutch law, regulation and procedures;
3. capacity contract between and for the Zuidwending storage as well as potentially other opportunities for cooperation on seasonal storage;
4. potentially a participation of in the BBL with a of and transport capacity in the BBL;
5. the purchase from of natural gas by

The Netherlands' government will contact other potential Commercial Partners based or operating in the Netherlands who may wish to purchase Russian gas volume. Agreements may be negotiated directly between and such potential other Commercial Partners.

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Any agreement between _____ and any of the other Commercial Partners _____ will be subject to contract and management approval of the Commercial Partners involved.

**Paragraph 5
Information/Confidentiality**

The Signatories acknowledge that they will furnish each other with information which they believe to be reliable and relevant for the purpose of this MoU, but each Signatory also acknowledges that neither the other Signatory nor any of its representatives or employees make any representation or warranty as to the accuracy or completeness of such information.

Each Signatory will treat and will require each Commercial Partner based in its country and involved in the implementation of this MoU to treat the contents of this MoU as confidential. Information that is acquired by a Commercial Partner in the course of joint activities pursuant to this MoU may be used by such Commercial Partner's shareholders and executive organisation to support and approve any steps taken pursuant to this MoU. It is understood that each Commercial Partner will enter into a separate confidentiality agreement with its commercial counterparty regarding the subject matter of the negotiations contemplated by this MoU.

**Paragraph 6
Communication**

Any official communication between the Signatories and between Commercial Partners and Signatories under this MoU shall be to the following addresses:

- (i) If to the ministry of Industry and Energy of the Russian Federation:

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- (ii) If to ministry of Economic Affairs of the Netherlands: Ministry of Economic Affairs, P.O. Box 20101, 2500 EC The Hague, The Netherlands.
- (iii)
- (iv)
- (v)

**Paragraph 7
Costs**

Each Signatory and Commercial Partner will bear its own costs related to the activities, negotiations, agreements and contracts mentioned in this MoU and subsequently all costs related to the implementation of such agreements and contracts.

**Paragraph 8
Dispute Resolution**

The Signatories have consented that in the event of any dispute between the Commercial Partners in relation to or arising from the implementation of this MoU, the Signatories will encourage the Commercial Partners to use all reasonable endeavours to resolve such dispute amicably.

**Paragraph 9
Discontinuation**

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This MoU will continue for an indefinite period provided that this MoU may be terminated by either Signatory giving thirty (30) days' written notice to the other Signatory and the Commercial Partners. This MoU represents the good faith intentions of the Signatories to proceed with the proposed cooperation.

The Signatories accept that if during the term of this MoU a Commercial Partner decides that it cannot proceed with the cooperation as envisaged at the time of the signing of this MoU, such Commercial Partner may terminate its participation under the umbrella of this MoU by giving not less than thirty (30) days' written notice of such termination to the Signatories and the other Commercial Partners.

Signed this the ...th June 2006 In ...

For the Ministry of Industry and Energy
of the Russian Federation

For the Ministry of
Economic Affairs of The Netherlands

.....

.....

Unofficial translation

LSCAN01/0000046003

Director-General for Energy and Telecom
Ministry of Economic Affairs
of Kingdom Netherlands

July 2006

Dear

thank you for your letter of 21 June 2006 in which you go into the topic of signing the Memorandum of Understanding between Ministry of Industry and Energy of Russian Federation and Ministry of Economic Affairs of Kingdom Netherlands. We are grateful to you for sending us the draft of this document, which will undoubtedly contribute to further development of Russian-Dutch relations in energy sector.

I appreciate your personal support for forming partnership connections between and Dutch energy companies. Your assistance is of great value for us today, as after the official invitation towards to join the consortium on North European Pipeline project new prospects for cooperation with our Dutch partners are opened to us. As you know, we now conduct detailed negotiations on cooperation conditions. Important round of consultations took place on 22 June 2006 in Moscow, that we expect to result in mutually beneficial decisions of Gasunie.

Our experts have studied carefully the draft which you have sent to us. In the nearest future we will submit our considerations on its text according to the established order to the Ministry of Industry and Energy of Russian Federation. Taking into account background of fruitful and reliable cooperation between your and Russian ministries we are assured that by the visit of Mr. Brinkhorst to Moscow in October of the current year a set of mutually acceptable and effective arrangements will be worked out.

I look forward to seeing you again.

Best regards,

Alexander I. Medvedev