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## Russia and Serbia agree on natural gas storage deal

*Friday, 16 Oct, 2009*

RIA Novosti reported that Russian energy giant Gazprom and Serbia's state gas companies have initialed an agreement to set up a joint venture to develop a Serbian underground gas depot.

The agreement on Banatski Dvor is part of a bilateral governmental deal on cooperation in the oil and gas sector sealed between the two countries in 2008.

Mr Dusan Bajatovic director general of Srbijagas said the agreement will be signed during a visit by Russian President Mr Dmitry Medvedev to Belgrade on October 20th.

Construction of the underground gas depot at Banatski Dvor started in 2005. The gas storage facility will have a capacity of 0.8 billion cubic meters to 1 billion cubic meters. It will be connected to the proposed EUR 25 billion South Stream gas pipeline intended to annually pump 31 billion cubic meters of Central Asian and Russian gas to the Balkans and on to other European countries bypassing Ukraine.

The construction of the Banatski Dvor depot is a stage of gas production at a worn out field which used to have reserves of 3.3 billion cubic meters.

The Serbian company said the agreement will be signed by Srbijagas, Gazprom export arm Gazprom Export and German subsidiary Gazprom Germania.

(Sourced from RIA Novosti)

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