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## **Transneft and Rosneft ink agreement on oil supplies to China**

*Friday, 17 Apr, 2009*

Itar-Tass citing Mr Igor Demin head of the press service of the pipeline company as saying that Rosneft and Transneft have signed an oil purchase and sale contract. As he said, according to the reached agreements, as of 2011, Rosneft will supply nine million tons of oil and Transneft six million tonnes of oil to China through a branch of the oil pipeline Eastern Siberia Pacific Ocean.

Within the framework of Russian-Chinese agreements, Rosneft and Transneft will get from China 20 year credits in the volume of 15 and 10 billion dollars, accordingly, a branch of the ESPO oil pipeline will be built, and beginning from 2011, Russia will annually supply China with 15 million tonnes of oil during 20 years. Transneft expects to get the first tranche of the credit after the ratification of the Russian-Chinese intergovernmental agreements on cooperation in the sphere of fuel and energy complex which, as is expected, will take place in the near future. Rosneft hopes to get the first tranche within the second-third quarters of 2009.

Rosneft will sale crude oil to Transneft to repay the transport monopoly's Chinese credit liabilities, which, in its turn, will sale it in the Chinese market to settle up the credit.

(Sourced from Itar-Tass)

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