



In 2010 Gazprom supplied Serbia with 1.76 billion cubic meters of natural gas. Founded on October 1, 2005 by the Serbian Government within the reorganization of the state-owned Naftna Industrija Srbije - Serbian Oil Industry (NIS), Srbijagas is the Serbian state-owned company dealing with natural gas transmission, distribution and storage in Serbia.

With a view to diversify the natural gas export routes Gazprom is planning to construct a gas pipeline running under the Black Sea to the countries of Southern and Central Europe - the South Stream project.

Intergovernmental agreements were signed with Bulgaria, Serbia, Hungary, Greece, Slovenia, Croatia and Austria in order to implement the onshore gas pipeline section. At present, the South Stream Consolidated Feasibility Study is being finalized including the feasibility study for the offshore section and feasibility studies for the respective gas pipelines in host countries of Southern and Central Europe.

The feasibility study for the Serbian section of the gas pipeline has been completed as well. This will make it possible to initiate before long the environmental impact assessment (EIA), include the Serbian section of the South Stream project into the land use planning scheme of the Republic of Serbia and acquire the exclusive status as well as all necessary permits. On May 15, 2009 Gazprom and Srbijagas signed the Basic Agreement of Cooperation for the South Stream project in Serbia.

In November 2009 registration of the joint project company, South Stream Serbia AG, was accomplished. Gazprom holds a 51 per cent stake in the company and Srbijagas - a 49 per cent stake.

On December 24, 2008 Gazprom and Srbijagas inked the Memorandum of Understanding on cooperation in gas storage as part of the Banatski Dvor UGS project.

In October 2009 the Agreement on Setting up a Joint Venture for the Banatski Dvor UGS Facility was signed.

The joint venture responsible for construction and operation of the underground gas storage facility was registered in February 2010. The joint venture has the following shareholding structure: Gazprom - 51 per cent, Srbijagas - 49 per cent.

The Banatski Dvor UGS facility will be created on the basis of the eponymous depleted gas field situated 60 kilometers to the northeast of the Novi Sad town.