The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Sechin Welcomes Dudley Back to Russia

By The Moscow Times

August 05, 2010



Igor Sechin, center, speaking with Bob Dudley, left, and Tony Hayward during a Moscow meeting late Wednesday. **Alexander Zemlianichenko**

Deputy Prime Minister Igor Sechin gave a cool nod of approval to BP's new chief executive Bob Dudley, while praising his predecessor Tony Hayward, ousted over his handling of the Gulf of Mexico oil spill.

Russia is a key part of BP's global business, providing the company with a quarter of its reserves before the U.S. oil spill, so it is vital for Dudley to establish a good working relationship with the world's largest oil exporting nation.

"We are ... counting on your experience, Mr. Dudley, and on new projects in our partnership," Sechin said, opening a meeting late Wednesday with both Dudley and Hayward, where he said Russia was "satisfied" with the new CEO. "The field for cooperation is very broad."

It was the first visit to Russia for Dudley, once the CEO of TNK-BP, BP's joint venture with a quartet of Russian billionaires, since he was forced out of the country in a shareholder dispute

after being accused of running the 50-50 venture like a BP subsidiary.

"And now Mr. Dudley is back!" Sechin exclaimed with a laugh.

At the headquarters of Russia's top oil producer, Rosneft, where Sechin is chairman, Hayward led the way into the meeting and greeted the deputy prime minister with an embrace and a formal kiss on the cheek.

Sechin, a close ally of Prime Minister Vladimir Putin, said Putin asked him to "say hello" to both Dudley and Hayward.

Hayward, who acceded to a peace deal with the Russian shareholders, which was chalked up as a loss for BP, will take a seat on the board of TNK-BP.

"The fact that you will continue to work on the board of TNK-BP will be a help to Mr. Dudley and to us," Sechin said. "And who knows? Maybe there could be other offers in the future."

As the meeting opened in the presence of reporters, there was no mention of potential asset sales to pay for the damage from the Gulf of Mexico catastrophe, the world's largest accidental marine oil spill.

But analysts said the topic was likely on the agenda for Dudley's one-day trip to Russia as the company declared progress plugging the well.

Industry sources said he also met BP's Russian partners in TNK-BP, as well as Sergei Bogdanchikov, CEO of Rosneft.

BP, which took a $32.2 billion charge related to the spill in its results last week, has said it will sell $25 billion to $30 billion of assets to pay for the disaster.

"What we can be sure of is that Russia has a specific agenda, i.e. a wish list, and will take full advantage of BP's weakened state to press that," Chris Weafer, chief strategist at UralSib, said in an e-mailed note.

BP owns 1.2 percent of Rosneft as well as its 50 percent stake in TNK-BP.

"I want to reassure you BP is continuing its commitment to Russia," Hayward told Sechin in the meeting.

Hayward said he remained personally committed to working in Russia's oil and gas sector, but Dudley was well placed to continue the relationship as CEO.

TNK-BP has said it may buy BP's Venezuelan assets, and media reports have suggested that BP is more likely to sell assets to Russian companies than divest its holdings here.

Earlier this week a Rosneft official denied newspaper reports that the Russian producer was in talks to buy BP's stake in German refinery Gelsenkirchen, a joint venture with Venezuela's PDVSA and a network of German gas stations.

The sides must also decide the fate of the giant, undeveloped Siberian Kovykta gas deposit that was slated for sale to Gazprom in a deal that was never finalized.

"If BP is going to be squeezed more and more in the U.S., as recent reports suggest, then its Russian assets will become an even more important part of its future," Weafer added.

Original url:
https://www.themoscowtimes.com/2010/08/05/sechin-welcomes-dudley-back-to-russia-a424