

LUKoil's CEO Opposes Buying Shares

By [The Moscow Times](#)

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LUKoil chief executive officer Vagit Alekperov opposes buying back more shares from ConocoPhillips in favor of wider ownership of the stock, he said in a comment published Monday.

Exercising an option to acquire 11.6 percent of LUKoil's stock from ConocoPhillips doesn't make sense, Alekperov said in remarks published in Vedomosti and confirmed by the Moscow-based company's press service. The board and management haven't made a decision yet, Alekperov said.

LUKoil, Russia's second-largest oil producer, bought 7.6 percent of its stock from the Houston-based company on Aug. 16 for \$3.44 billion. The purchase of the 11.6 percent stake may threaten the company's credit rating should LUKoil finance the deal with short-term debt, Standard & Poor's said in July.

The Houston-based company is selling its holding in LUKoil to raise money to repay debt and buy back its own shares. LUKoil has an option until Sept. 26 to buy more stock at \$56 a share,

ConocoPhillips CEO Jim Mulva said last month. That values the whole 11.6 percent stake at \$5.53 billion.

LUKoil wants to raise the number of investors that hold less than 5 percent of the company, Vedomosti reported, citing Alekperov. Alekperov and his deputy, Leonid Fedun, together control about 30 percent of the oil producer, said Andrei Gaidamaka, LUKoil's director of strategic development.

Before deciding what to do with the shares LUKoil has already purchased from ConocoPhillips, management will first agree on whether to use the option, the Moscow-based company's press service said.

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