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# MOL Seeks Stability in Surgut Exit

By The Moscow Times

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BUDAPEST — The Hungarian government's buying a 21.2 percent stake of oil group MOL from Surgutneftegaz would boost stability, MOL chairman Zsolt Hernadi said Friday.

"That would mean a more stable situation by all means," Hernadi told public broadcaster m1. "It would be more reassuring to the state as well, as it would become clear to everyone that MOL is not an acquisition target."

Hungary's Development Ministry said Thursday that the government's buying out Surgut would be one possible solution to the stalemate caused by the Russian company's stake in MOL.

Surgut bought the stake from Austria's OMV last year for 1.4 billion euros ($1.95 billion), saying it wished to be a strategic investor.

MOL has described the move as a hostile takeover attempt. It blocked Surgut from voting at its shareholders events in 2009 and 2010 because of a lack of regulatory approval.

MOL's share price has often been influenced by rumors about the future of the Russian company's stake.

The oil companies were not in talks about the stake, although MOL did communicate with Surgut just like it does with any other shareholder, Hernadi said.

"If this issue is resolved, everybody will be in a much simpler situation as currently we don't know what the shareholder wants to do with that stake, we don't know when it wants to sell it in the market, increase it or not," he said.

Asked whether the company would consider its stake in Croatian oil company INA to be involved in a potential solution to the Surgut issue, Hernadi said, "That is completely out of the question."

Hernadi also said a three-year special tax imposed on the energy sector would help secure fiscal leeway and time for the government to carry out much-needed reforms, but it would be a very bad message to investors if the tax is kept beyond 2012.

MOL will continue its efforts to increase efficiency to generate funds to pay the new tax, Hernadi said.

"If it's needed, and if we don't have sufficient resources, we will cut back our investments," he said.

On Thursday, Reuters reported that Surgut wanted to sell its stake in MOL, citing a source at the Russian company.

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