

# TNK-BP Profits Slide in Q3

By [The Moscow Times](#)

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Oil company TNK-BP, a joint venture that makes up more than a quarter of BP's reserves, said Tuesday that its third-quarter net profit fell as transportation and other costs rose.

The company generated net profit of \$1.45 billion on revenues of \$11.4 billion. A year earlier TNK-BP earned \$1.68 billion on revenues of \$10.26 billion.

Its largest rival, Rosneft, was expected to report Tuesday that third-quarter profits nearly doubled year on year.

In dollar terms, costs at TNK-BP, which is half-owned by U.K.-based BP, rose 18 percent, the venture said Tuesday. Transportation tariffs — mainly the cost of shipping oil through the Transneft state pipeline system — rose 19 percent, it said.

Foreign currency exchange effects amounted to \$200 million, TNK-BP said.

The venture, which agreed to buy BP's Venezuelan and Vietnamese assets for \$1.8 billion as

the British major raises funds to pay for this year's catastrophic oil spill in the Gulf of Mexico, is also at an "initial point" in talks for its Algerian assets, chief financial officer Jonathan Muir said in a briefing.

Muir said Indian oil company ONGC had right of first refusal on BP's Vietnam assets and had about six weeks to exercise them.

Apart from acquisitions, Muir said, TNK-BP cut its plans for capital expenditure to \$4 billion from a planned \$4.4 billion. It plans to keep capital expenditures steady, at about \$4 billion in coming years.

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