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Novatek Up on Acquisitions

By The Moscow Times

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Gas producer Novatek rose to a record high on Tuesday, after the board approved the purchase of a controlling stake in two West Siberian gas projects. Shares jumped by 6 percent to 278.51 rubles at the close in Moscow.

Novatek agreed Monday to buy a 51 percent stake in Sibneftegas, which holds licenses for the Beregovy, Khadyryakhinsky, Pyreiny and Zapadno-Zapolyarnoye fields in the Yamal-Nenets autonomous district.

The acquisition may add 12 percent to Novatek's gas output from 2011, UralSib Financial said. "Novatek has proven once again that it is able to snatch up value-accretive deals that ensure the company's growth," Troika Dialog said in a research note.

The board also approved the acquisition of a 51 percent stake in SeverEnergia by Novatek's joint venture with Gazprom Neft, from its partner's parent company, for at least $1.5 billion. The company said it plans to issue eurobonds of the same value, with a maturity of 10 years.

(Bloomberg)

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