

Indian ONGC Considers Sistema Venture

By [The Moscow Times](#)

January 16, 2011

The  Moscow Times

Indian state-owned Oil & Natural Gas Corporation may form a venture with AFK Sistema, billionaire Vladimir Yevtushenkov's holding company, to manage their assets, an Indian government official said.

The venture may also invest in oil and gas areas in Russia, S. Sundareshan, India's oil secretary, said after a press briefing in Singapore on Friday.

India's government plans to sell a stake in ONGC, the country's biggest energy exploration company, through a share offer by March. The Indian company spent \$2.2 billion in 2009 to buy Imperial Energy, which has fields in Siberia. Sistema has built Russia's fastest-growing oil business in the past two years, buying control of Bashneft, regional refineries and 49 percent of Russneft.

The Indian government's sale of a 5 percent stake in ONGC may raise as much as \$4 billion, Sundareshan said.

Sistema and ONGC agreed to study “a potential transaction” involving their Russian oil units, the Moscow-based company said Dec. 21 in an e-mailed statement. The Indian company’s overseas investment arm, ONGC Videsh, also holds 20 percent of the Exxon Mobil-led Sakhalin-1 project.

Discussions on a potential venture are continuing, a spokesman for Sistema, who declined to be identified in accordance with company policy, said by e-mail Friday. ONGC’s corporate communications department did not immediately respond to an e-mail seeking comment.

In December, Bashneft won the rights to develop what were the country’s biggest undistributed oil fields, Trebs and Titov in the Arctic, which may add 70 percent to its reserves. ONGC failed to qualify to bid for the areas.

Bashneft produced 290,000 barrels a day in November, while Russneft pumped 270,000 barrels a day, according to the Energy Ministry.

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