

TNK-BP Climbs as AAR Denies Buyout

By [The Moscow Times](#)

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TNK-BP climbed 3.6 percent in Moscow trading to 87.59 rubles following a report that Rosneft might buy out BP's partner in its Russian venture. Rosneft denied the report.

Vedomosti reported Friday that Rosneft or the government might buy out 50 percent of TNK-BP from AAR, the group representing the billionaire shareholders in the oil venture, for cash or shares.

BP holds the other 50 percent of TNK-BP. Vedomosti cited four unidentified people for the report.

Rosneft chief executive Eduard Khudainatov denied being in talks to buy AAR's share in TNK-BP, in a conference call on fourth-quarter earnings. AAR CEO Stan Polovets said the group had no plans to sell its stake in TNK-BP.

Rosneft management has been told to get ready for the acquisition, the newspaper said. Rosneft may then buy 1 percent of TNK-BP shares from BP and gain control of the venture,

Vedomosti said, citing unidentified people close to the Russian government.

Dmitry Peskov, Prime Minister Vladimir Putin's spokesman, declined to comment on the report, as did BP spokesman Vladimir Buyanov.

Such a deal might not make sense for either Rosneft or Rosneftegaz, the state vehicle that owns most of the company's stock, VTB Capital analyst Pyotr Grishin said in a research note.

"It is contrary to the recent steps made by the government," Grishin said. "The government announced its intention to sell its stakes in some companies, such as Rosneft, VTB, Sberbank and others."

Russia plans to reduce its stake in Rosneft by almost 25 percent by 2015, according to the Economic Development Ministry. Most of TNK-BP's assets are too old for the deal to be "value-accretive" for Rosneft, he said.

BP agreed three weeks ago to swap shares and create an Arctic offshore venture with Rosneft. The billionaire partners in TNK-BP challenged the alliance, saying their shareholders' agreement gives the venture the exclusive right to pursue new opportunities for BP in the country.

AAR, which represents TNK-BP shareholders Mikhail Fridman, German Khan, Viktor Vekselberg and Leonard Blavatnik, won an injunction in a London court on Feb. 1 that will delay BP and Rosneft's planned share swap until Feb. 25.

Putin won't interfere in the conflict between BP and its partners in TNK-BP over the Rosneft deal, Peskov said.

"We don't think it is possible to interfere in this situation," Peskov said. "Even though the state is the biggest shareholder, Rosneft is an international public company that acts under the rule of the market and corporate relations."

Rosneft expects to close the share swap with BP, which will give it a 5 percent stake in the London-based producer, in the first half. BP will get 9.5 percent of the state-run oil producer in return.

Rosneft, which reported fourth-quarter earnings Friday that beat estimates, rose 1.7 percent to 257.13 rubles.

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