

TNK-BP Abroad Not Daunted by Local Woes

By [The Moscow Times](#)

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TNK-BP aims to spend about \$1 billion on an acquisition abroad even as a shareholder dispute rages over the company's future at home.

TNK-BP, which is owned by BP and a group of billionaires, is looking for opportunities in Africa, the Middle East and Latin America to diversify operations away from Russia, deputy chief executive Maxim Barsky said. Russia's third-largest oil producer agreed last year to acquire fields in Vietnam and Venezuela from BP.

Barsky set out the company's strategy as the shareholders remained locked in a legal dispute. AAR, the company that represents the billionaire partners in TNK-BP, has gained an injunction halting a deal for BP to swap \$7.8 billion of its shares and explore the Arctic with Russia's largest oil producer Rosneft. AAR, led by TNK-BP's interim chief executive Mikhail Fridman, claims that the deal violates exclusivity rights inside Russia.

"It has not stopped any of our projects," Barsky said, declining to comment on the shareholders' disagreement. The company has the capacity to handle a third international deal, he said, adding that, within 10 years, TNK-BP should have 30 percent of its production outside Russia.

Barsky was tapped to head the company in 2009 after an earlier shareholder dispute led to the departure of then chief executive Bob Dudley. The timing of Barsky's appointment as chief executive, delayed from Jan. 1, will depend on completing a share option plan and resolution of the shareholder conflict, he said. Dudley is now chief executive of BP.

TNK-BP may attempt to gain blocks around the offshore field in Vietnam it agreed to buy from BP in October. It will also try to raise its share in Venezuela's PetroMonagas to 40 percent once it completes a deal with BP to buy almost 17 percent of the Venezuelan heavy oil producer. It may swap assets it holds in Russia to expand internationally, Barsky said in an interview last week.

TNK-BP agreed to buy the Vietnamese and Venezuelan assets from BP for \$1.8 billion in October as the British producer spun off assets to cover costs linked to its Gulf of Mexico oil spill.

TNK-BP has submitted agreements to become operator of the Vietnam project to the state, Barsky said. An approval from Venezuela on its deal will likely come only after Rosneft finishes its purchase of a stake in German refiner Ruhr Oel from Venezuela's state oil producer, he said. BP hasn't impeded any of the sales, he said.

TNK-BP management insists that it has the expertise and the capital to replace BP in its agreement with Rosneft to explore the South Kara Sea, Barsky said. TNK-BP has no offshore projects in Russia.

The geology in the Kara Sea appears similar to West Siberia, where TNK-BP has plenty of experience. The challenges will involve creating ice-resistant rigs and building artificial islands. Additionally, icebreakers will be needed to lead convoys of tankers that would get oil to markets, Barsky said.

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