

TNK-BP to Buy Petra Amazon Stake

By [The Moscow Times](#)

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TNK-BP agreed to buy Petra Energia's 45 percent stake in a project in the Brazilian Amazon's Solimoes Basin. **Pedro Lobo**

TNK-BP agreed to buy Petra Energia's 45 percent stake in a project in Brazil's Solimoes Basin in a drive to expand abroad.

The 21 blocks in the Amazon will continue to be operated by HRT Participacoes em Petroleo, the majority partner, the Moscow-based oil venture said Monday in a statement. TNK-BP's board approved a negotiating price of \$1 billion, two people with knowledge of the decision said in May.

TNK-BP, Russia's third-largest oil producer, is looking for opportunities in Africa, the Middle East and Latin America to diversify operations. BP agreed last year to sell TNK-BP assets in Vietnam and Venezuela, after a 2008 dispute with its billionaire partners about strategy and international expansion.

"The deal should be indirectly positive for TNK-BP Holding's dividends," Alexei Kokin, an oil

and gas analyst at UralSib Financial, said Monday. TNK-BP Holding, the traded unit of BP and the billionaires' 50-50 venture, will need to pay high dividends to help the parent company finance international projects, he said.

Negotiations are still under way, Mikhail Fridman, TNK-BP's chief executive, said in the statement. Management aims to complete agreements with HRT by the end of August and submit the deal to TNK-BP's board in September, Fridman said. The deal is also subject to approvals from HRT's board and Brazilian regulators.

The price of the stake will depend on the future performance of blocks, under the so-called farm-out agreement signed with Petra Energia, TNK-BP said, without disclosing more detail. An official at Petra's press department, who asked not to be named citing company policy, declined to comment on the value of the transaction.

TNK-BP may gain 783 million barrels of oil equivalent resources via the project, the Russian company said. Initial output at the blocks is planned for next year, HRT said in a statement Monday.

TNK-BP is prepared to spend about \$1 billion on a foreign acquisition to fulfill development potential, deputy chief executive Maxim Barsky said April 14.

Rio de Janeiro-based HRT, which had the right under a 2010 agreement to buy Petra's stake in the exploration blocks for a fixed price of 1.3 billion reais (\$815 million), is interested in letting another company use the option, chief executive Marcio Rocha Mello said in March.

HRT Participacoes em Petroleo, which raised \$1.5 billion in an IPO last year, expects to increase the volume of potential reserves it will develop with TNK-BP.

HRT will hire auditing firm DeGolyer & MacNaughton to review new data after the company completes its first four exploration wells in late August, HRT chief executive Marcio Mello said Monday.

The company has about 1 billion barrels of oil and natural gas resources at its 21 Solimoes blocks, according to a 2010 study by DeGolyer and MacNaughton.

"This is just the tip of the iceberg," Mello said. "If things go as we expect it will be a very good business for everybody."

HRT's board will approve the partnership and has already started negotiating the investment program for the Solimoes Basin with TNK-BP, Mello said.

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