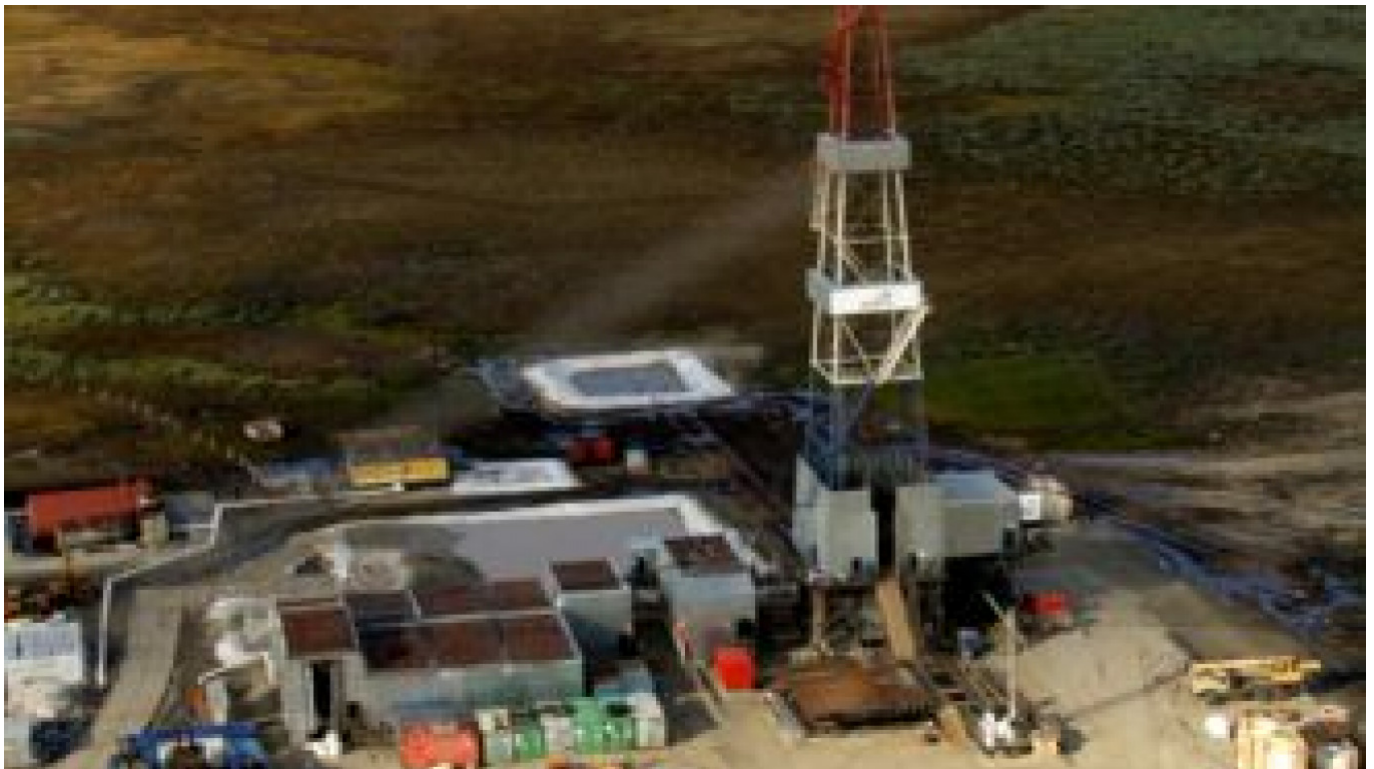


Bashneft Clings to LUKoil at Trebs and Titov

By [Howard Amos](#)

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A Bashneft facility in the Yamal-Nenets autonomous district

Bashneft said Tuesday that it will try to continue to work with LUKoil on the Trebs and Titov oil-field complex despite a regulatory decision that effectively ejects the country's second-largest oil company from the project.

The Federal Subsoil Resource Use Agency, or Rosnedra, ordered the license for Trebs and Titov to be returned to Bashneft from Bashneft-Polus, a joint venture 25.1 percent owned by LUKoil, a day earlier in a move analysts warned could delay production at the greenfield site.

Access to Trebs and Titov, agreed with Bashneft last year, was considered significant by experts because LUKoil has had difficulty in the past competing with state-owned companies for new resources.

But Bashneft said it would not abandon LUKoil. "Bashneft intends to discuss the possible

options for further cooperation with LUKoil on this project,” it said in a statement. Cooperation between the two companies was mutually beneficial, lucrative for the state’s coffers and aided development in the Yamal-Nenets autonomous district, it added.

Bashneft needs LUKoil because of the oil giant’s presence in the area, including pipeline infrastructure and the Varandei oil terminal on the Barents Sea.

LUKoil and Bashneft were due to invest 12 billion rubles (\$400 million) in the site this year, Bashneft head Alexander Korsik said last week. Trebs and Titov contains about 140 million tons of oil.

The decision by Rosnedra comes just a fortnight after Alexander Popov was appointed to head the agency. He was an aide to Igor Sechin, the former deputy prime minister who lost his position in the Cabinet on Monday.

Analysts warned that Rosnedra’s decision increases risk for Bashneft. The company is unlikely to lose the license for Trebs and Titov, UralSib analysts said in a research note Tuesday, “[but] the [production] plateau at the fields may be delayed from 2017-18 until 2020.”

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