

ConocoPhillips Exits Venture With LUKoil

By [The Moscow Times](#)

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ConocoPhillips said it will sell a 30 percent interest in a joint venture to partner LUKoil, nearly exiting Russia after more than two decades.

Conoco is left only with half of the Polar Lights joint venture with Russia's top oil producer, Rosneft, which contributed just 6 million barrels oil equivalent per day to its production in 2011.

Conoco is likely to get out of that venture too, Morningstar analyst Allen Good said, but Conoco declined to comment on the future of that project.

"The company has an ongoing disposition program of non-strategic assets, and we continue to evaluate our portfolio on an ongoing basis," Conoco spokesman John McLemore said in an e-mail.

Conoco last year divested its stake in LUKoil, Russia's No.2 crude producer, for \$9.5 billion.

The Houston-based company said on Wednesday it was selling its indirect stake in the NaryanMarNefteGaz joint venture with LUKoil as part of its asset sale program.

Conoco has sold more than \$20 billion in assets this year, topping a target set for sales of \$15 billion to \$20 billion.

The firm said it expects to recognize an after-tax gain of about \$400 million from the sale.

The NaryanMarNefteGaz venture was formed in 2004 to develop oil and natural gas resources in Timan-Pechora province, on Russia's northern coast. It holds seven licenses and is producing from five fields.

Russian assets are no longer as strategic to Conoco, as the company is looking to focus on the United States, Good said. Russia is seeing a decline in oil output in its West Siberian fields.

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