

TNK-BP Could Hold IPO in 3-4 Months

By [The Moscow Times](#)

October 10, 2012

The  Moscow Times

It is feasible for oil company TNK-BP to hold an initial public offering in three or four months, several sources close to the company and its shareholders told Interfax.

The company's shareholder agreement requires the owners to make every reasonable effort to carry out an IPO if such an initiative is put forward by the other shareholder, a source familiar with the situation said. This means that if AAR officially proposes to hold an IPO, BP would be required to fully cooperate in this process, the source said, adding that board approval is not needed to begin an IPO.

AAR and BP hold 50 percent in TNK-BP each.

The source said that, if BP sells its stake to Rosneft in the near future, such a deal might be closed within three to four months. In that case, AAR is also prepared to officially begin an IPO.

Most analysts do not question TNK-BP's technical ability to hold an IPO. However, they doubt

that AAR and BP will actually take such a step.

Andrei Polishchuk of Raiffeisen Bank said TNK-BP's shareholders have long considered the option of an IPO, with their constant disputes being a major reason.

"The price is the major issue — it will be difficult to do this at an acceptable valuation," he said. "AAR has appraised its stake at \$32 billion, which is 40 percent above the market price. They won't be able to place [stock] at such a valuation."

It would be good if they could do it at a price of \$40 billion to \$45 billion for the whole company, he said.

But Polishchuk said he believed an IPO was impossible as long as the shareholder dispute remained unresolved.

"I think that AAR's statement about an IPO is a means of protection against a deal between BP and Rosneft," he said.

Ildar Davletshin of Renaissance Capital said that TNK-BP "has the necessary financial statements and virtually all the business processes to become public."

"The question is in the size. I think that placing the whole block of shares at once is unrealistic, but selling a small stake shouldn't be difficult," he said.

Related articles:

- [AAR Mulls Listing or Selling TNK-BP Stake](#)
- [TNK-BP to Mull Dividend](#)
- [TNK-BP Mulls Pulling Out of Venezuelan Project](#)

Original url:

<https://www.themoscowtimes.com/2012/10/10/tnk-bp-could-hold-ipo-in-3-4-months-a18493>