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Novatek Buys Into Northgas

By The Moscow Times

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Novatek said it acquired a 49 percent stake in producer Northgas for $1.38 billion from businessman Farkhad Akhmedov, boosting Novatek's reserves by more than 10 percent.

Northgas holds the production license for the Severo-Urengoyskoye field in the Nadym-Pur-Taz basin, in close proximity to Novatek's existing production in northern Russia.

State gas export monopoly Gazprom owns the other 51 percent of Northgas.

"The ability to acquire a significant asset such as Northgas is consistent with our overall strategy to expand our reserve base and raise our production profile in our core region of operations," Novatek chief executive Leonid Mikhelson said in a statement on Tuesday.

Novatek said it bought the stake from Akhmedov's R.E.D.I. Holdings. The transaction is expected to close by the end of the year.

(Reuters)

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