

Rosneft Sees TNK-BP Deal Closure 3 Months Before Deadline

By [The Moscow Times](#)

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Rosneft plans to take control of rival Russian oil company TNK-BP by April 1, completing one of the sector's biggest takeovers three months early, an industry source with knowledge of the deal said.

State-owned Rosneft is buying the business for \$55 billion from its 50-50 owners, the private Russian consortium AAR and British oil company BP, in two separate deals.

Rosneft has drawn up a timetable that foresees approval on March 7 from European antitrust regulators, the source said Friday. The pair of transactions would increase Rosneft's domination of Russia's oil industry and make it a bigger producer than world No. 1 ExxonMobil.

The source did not know whether such approval from the European Commission would be forthcoming, adding that the timetable envisaged completion of the purchase of BP's half

of the business 10 days later on March 17 and closure of the deal to buy the rest from AAR 10 days after that on March 27.

"That has been the position on completion for about a week and a half now," said the source.

A separate, Moscow-based industry source said earlier this month: "Everything is on track. We are going to close some time in April, if not earlier."

Early closure would bring TNK-BP out of the management limbo it has been in since October when the deals were announced, and allow Rosneft to reassure customers and employees about contracts and start working through cost savings.

It would put \$12.3 billion cash into BP's coffers as it goes to trial in the United States over the 2010 Gulf of Mexico oil spill, and allow the British company's management to close a fraught chapter in its history of Russian investments and start a new one as a 19.75 percent shareholder in Rosneft.

The AAR part of the deal will share a \$28 billion cash pot between Mikhail Fridman, German Khan, Viktor Vekselberg and Len Blavatnik, Soviet-born men who emerged as tycoons after the Russian privatizations of the 1990s.

Rosneft, BP and AAR have repeatedly said they hoped to close the deal during the first half of the year, and indications from industry sources in recent months pointed to May or June as likely dates.

A Rosneft spokeswoman would not comment on any timetable but said: "Work is ongoing and we will inform the market in due course." A BP spokesman reiterated the first-half deadline and would not comment further. AAR also declined to comment.

Rosneft's slated March 7 approval date fits with the European Commission's published timetable, which received official notification of the deals from Rosneft on Feb. 1, and has set itself a provisional deadline of March 8 to decide whether to investigate or clear them. A commission spokesman on competition policy was not available to comment.

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