

Rosneft Mulls Giving Blocking Rights to BP

By [The Moscow Times](#)

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Rosneft is considering changes to its charter, giving BP, which holds 19.85 percent in the company, blocking rights on a range of issues at the company, Vedomosti reported, citing two sources close to Rosneft's board of directors, a representative of the company and a spokesperson for the Economic Development Ministry.

The amendments will be considered at a meeting of shareholders on June 20, Vedomosti reported Thursday.

The precise nature of the blocking rights is not clear, though BP insisted on them during negotiations on last October's deal between the two companies. That deal saw Rosneft receive a 50 percent stake in TNK-BP from BP in return for \$12.5 billion in cash and 18.5 percent of its own shares.

The changes to Rosneft's charter might increase the quorum required at meetings

of shareholders and the board of directors, said Eldar Nasmutdimov of AVG Capital Partners. Currently a simple majority is required for a quorum, allowing the majority shareholder, Rosneftegaz, to have full control. Rosneftegaz owns 69.5 percent of Rosneft.

Rosneftegaz is 100 percent state-owned and has holdings in both Rosneft and Gazprom.

The expansion of BP's blocking rights at Rosneft has been agreed with the Russian government.

The shareholder meeting will also elect Rosneft's board of directors. Of nine seats on the board, BP will have two. So far the company has proposed one candidate — Robert Dudley, BP's chief executive.

Dudley, formerly head of TNK-BP, was forced to leave Russia in 2008 during disputes with Russian partners at the company when his visa was not renewed.

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