

Gutseriyev Sole RussNeft Owner, Could Bring on Glencore

By [The Moscow Times](#)

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Commodities trader and mining giant Glencore Xstrata could become a shareholder in Russian oil firm RussNeft as part of a debt restructuring, RussNeft's owner said Friday.

"If Glencore chooses to convert some of RussNeft's debt into shares, it may well become a shareholder," Mikhail Gutseriyev said.

Glencore, which declined to comment, helped Gutseriyev build up RussNeft a decade ago into a mid-sized oil firm and is still owed about \$2.3 billion out of RussNeft's total debt of \$4 billion.

But while being a big buyer of Russian oil, it still has only a modest presence in oil production in the former Soviet Union, having accumulated minority stakes in some production units of RussNeft.

Gutseriyev said that regardless of whether Glencore chose to convert debt into shares, the trading house would remain the main buyer of RussNeft's oil under a renewed 20-year deal.

He said RussNeft was currently going through a restructuring and debt refinancing with creditors with the aim of cutting interest payments on its debt, streamlining its corporate structure and cutting costs, and ultimately raising production.

"Our aim is to bring down interest payments on our credits and fully repay debts by 2017-18," he said, adding that the firm was also aiming to increase output to 18 million tons in the mid-term from the current 14 million tons, equivalent to 280,000 barrels per day.

Earlier Friday, Gutseriyev said he had bought from Sberbank, another major creditor, the 2 percent of RussNeft that he did not already own, acknowledging for the first time that he has again become the sole owner of the company that he created a decade ago when he bought parts of Slavneft, which he ran, soon after its privatization.

Now ranked 34th in Forbes magazine's latest Russian rich list, Gutseriyev fled Russia in 2007 following accusations of tax fraud.

At the time, he agreed to sell RussNeft to aluminum tycoon Oleg Deripaska, but the deal never materialized, and he sold 49 percent to Russian oil-to-telecom conglomerate Sistema instead.

Gutseriyev returned in 2010, and Russia has since dropped a criminal case against him. Gutseriyev agreed to buy the Sistema stake back in June for \$1.2 billion, sources close to the company say.

On Friday, Gutseriyev also said he had no plans to buy a stake in Russian potash company Uralkali, the recent subject of much takeover speculation, despite earlier media reports that he was among the interested bidders.

"How could an asset which makes money not be interesting? If I had money, I would buy ... [but] I do not need it," he said.

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