

\$540M Deal Gives LUKoil Full Control of Sicilian Oil Refinery

By [The Moscow Times](#)

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Italy's ERG agreed Wednesday to sell its remaining stake in the ISAB oil refinery in Sicily to complete its transformation into a renewable energy company.

The company announced that it will sell its 20 percent of the refinery to Russia's LUKoil for 400 million euros (\$541 million). With this transaction, LUKoil will gain full ownership of the facility.

In recent years, ERG has reduced its stake in the plant by exercising a series of put options in favor of LUKoil to exit a sector that has weighed on its profitability.

"With this operation, ERG completes the process of getting out of refining in line with its strategy of investing in sectors that are less volatile," ERG Chief Executive Luca Bettonte said.

The deal is expected to close before the end of the year.

Weak demand and tough competition from Asian rivals has clouded the outlook for European refiners in recent years.

Russia's biggest oil producer, Rosneft, this year bought a stake of more than 20 percent in Italian refiner Saras to strengthen its presence in the Mediterranean area.

ERG, controlled by the Garrone family that also controls Italian Serie A soccer club Sampdoria, intends to invest about 500 million euros by 2015 to focus on renewable energy.

It completed the acquisition of wind-power assets from France's GDF Suez this year to become Italy's largest wind-energy player and one of the top ten in Europe.

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