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Templeton's Mobius Urges 'Fair and Equitable' TNK-BP Buyout

By The Moscow Times

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Emerging markets fund manager Mark Mobius appealed Saturday for oil company Rosneft to make a "fair and equitable" offer to buy out minority shareholders in oil company TNK-BP.

Mobius denied reports by Russian news agencies of a meeting with Igor Sechin, CEO of the state oil major, to discuss a buyout. In comments to Reuters, he said minorities had not yet, as far as he knew, received a formal offer.

Minority shareholders own 5 percent of TNK-BP Holding, a listed unit of TNK-BP. The parent company was sold by a quartet of Russian tycoons and by Britain's BP to Rosneft in a $55 billion deal that closed this spring.

Rosneft initially made no offer to buy out those investors, which include Mobius' Franklin Templeton investment group, but last month proposed 67 rubles ($2.07) per share after complaints that it was short-changing minorities.

That represented a premium of 30 percent to the share price at the time, but was well below the $3.70 that analysts estimate Rosneft paid for TNK-BP in Russia's largest takeover deal.

"We hope that Rosneft comes up with an offer that would be considered fair and equitable," Mobius said in comments e-mailed to Reuters from Greece.

"This should be a win-win situation where Rosneft's reputation for fairness to minority investors is enhanced and the former shareholders of TNK-BP feel that they have been treated fairly."

Rosneft told Reuters earlier that it was unable to confirm the reports about a meeting.
A Rosneft source confirmed that Mobius had written a letter to Sechin, who is a close former aide to President Vladimir Putin.

Putin on Friday appeared to rule out any improvement in the offer price.

"The valuation and payouts should be carried out for those who wish to sell not at peak levels but today's market price," Putin said at the opening of a Rosneft oil refinery. "That should be the basis. No one should be deceived or robbed."

Shares in TNK-BP Holding, now renamed RN Holding, closed Friday at 63.40 rubles ($1.97) per share, slightly below Rosneft's suggested buyout offer price of 67 rubles.

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