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TNK-BP Mulls BP-Rosneft Role

By The Moscow Times

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TNK-BP said it is potentially interested in joining the British company's proposed alliance with Russia's largest oil producer, Rosneft.

The venture's management informed board members of its position at a meeting Friday and the directors agreed to continue discussions, TNK-BP said in an e-mailed statement. A formal recommendation is expected at a meeting on Feb. 25 and may be supported by the board, said two people who declined to be identified because talks are confidential.

BP's billionaire partners in TNK-BP blocked the deal for the London-based company to swap $7.8 billion of shares and form an Arctic venture with state-run Rosneft, saying it violated their shareholder agreement. TNK-BP, Russia's third-biggest oil producer, has the exclusive right to pursue new opportunities for BP in Russia, said AAR, which represents partners Mikhail Fridman, German Khan, Viktor Vekselberg and Leonard Blavatnik.

TNK-BP's board meeting next week is in Berlin, the two people said. BP and AAR each have four representatives, in addition to three independent directors. TNK-BP may then seek talks

with Rosneft.

AAR spokesman Mikhail Loskutov declined to comment on the TNK-BP statement, saying it's too early before a formal proposal has been made.

Rosneft vice president Peter O'Brien earlier this month said the company needs BP's expertise to explore offshore Arctic resources, rather than a partnership with TNK-BP. Rosneft and TNK-BP work together successfully onshore, including at the Verkhnechonsk deposit in East Siberia, he said.

TNK-BP is seeking to join big offshore projects in Russia, which are now controlled by the country's state-owned companies, said one of the people. Rosneft and Gazprom have exclusive rights to develop the country's offshore.

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