

Russia's Rosneft to Sue Over Sanctions Revenge Newspaper Report

By [The Moscow Times](#)

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Rosneft's chief, Igor Sechin, then said the company would sue Kommersant for reputational damage, news agency RIA Novosti reported.

Russian business newspaper Kommersant on Wednesday said Rosneft, the country's flagship state oil giant, had proposed a radical package of measures to the Kremlin that would preserve the interests of Russian energy majors amid Western sanctions and an oil price slump.

In its report, titled "Rosneft Rebelled Against the West," the newspaper cited undisclosed government sources as saying Rosneft's proposals included expropriating Western oil and gas equipment on Russia's territory and freezing international space cooperation. These are intended as revenge for sanctions on Russian companies imposed by Western countries over Ukraine, the newspaper said.

Rosneft on Wednesday denied this, saying in a statement on its website that the report "does not correspond to reality."

Rosneft's chief, Igor Sechin, then said the company would sue Kommersant for reputational damage, news agency RIA Novosti reported.

Though Rosneft's denial was echoed by President Vladimir Putin's press secretary Dmitry Peskov, presidential aide Andrei Belousov appeared to confirm that proposals had been made, telling news agency Prime that they were being considered. "Of course, the radicalism of the proposals exceeds the severity of the current situation," he added.

Western sanctions have locked Rosneft and other Russian oil majors out of international capital markets, leaving them with huge loans to multinational banks that they cannot roll over, and blocked their access to advanced Western technology. Oil prices have meanwhile slumped by a quarter since July.

Together, these factors have done damage: Rosneft said Wednesday that its third-quarter net income had slumped to 1 billion rubles (\$23.3 million) from 172 billion rubles in the previous quarter. Earlier this month, the company requested \$50 billion in aid from the government.

The proposals reported by Kommersant appear to be aimed at protecting Russian oil companies from more harm.

One proposed measure, a source in the government reportedly told the newspaper, was to allow Russian energy companies to repay debts to U.S. and European banks only under a special decree issued by Russia's Central Bank.

Another was to stop sanctioned oil and gas equipment already delivered to Russia from leaving the country — de facto expropriation.

Straying on to gas, the newspaper said Rosneft proposed to oblige European consumers of Russian gas for 100 percent prepayment of supplies. The measure was earlier applied to Ukraine for refusing to pay for its fuel shipments, but has never been considered for Europe, which imports gas worth \$60-70 billion from Russia each year and has been paying on schedule.

Rosneft also said Russia should focus on supplying gas to the Asia-Pacific region rather than Europe, proposing a cut in export duty for gas destined for Asia from the current 30 percent to just 10 percent, Kommersant said.

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