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Russian Tycoon Fridman Close to Selling North Sea Assets, Report Says

By The Moscow Times

March 18, 2015



Russian billionaire Mikhail Fridman

LONDON — Russian billionaire Mikhail Fridman is preparing to sell North Sea gasfields at the heart of its fierce battle in Britain, bowing to government pressure and choosing to avoid a legal battle he previously threatened, the Financial Times reported.

The FT cited sources familiar with the plans as saying Fridman's LetterOne Group is close to asking Morgan Stanley, which previously consulted it on the purchase of the fields as part of the acquisition of Germany's DEA from RWE, to find new owners for the fields.

LetterOne could not be immediately reached for comment.

The deal alarmed the British governmen, which argued that future sanctions against Russia could shut down the fields and imperil North Sea supplies. It told LetterOne to propose a better structure for the deal or face a demand to sell the fields to a third party.

The FT said LetterOne still believed its legal case was robust but a lawsuit could be a costly and time-consuming distraction.

The fields represent 3 to 5 percent of the United Kingdom's gas output and are not the biggest assets of DEA, which is also producing oil and gas in Norway, Egypt, Libya, Germany, Poland, Turkmenistan and Algeria.

The FT cited people close to the plan as saying LetterOne had not taken a final decision yet.

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