The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Bloomberg: Rosneft CEO Igor Sechin Proposes to Pay $5Bln for Bashneft Controlling Stake

August 29, 2016



Head of Rosneft Igor Sechin **Vedomosti**

Igor Sechin, the head of Rosneft, has asked the government to let his company purchase the controlling stake in Bashneft. Russia's largest state oil company would pay $5 billion in cash, with a premium to the market,
Bloomberg reported, citing two senior officials.

According to the Rosneft managers' plan, that would then allow the government to fill the state budget with another $11 billion by selling a 19.5 percent stake in Rosneft, earning the state $16 billion in total.

“We do not comment on nonsense,” Rosneft representative Mikhail Leontyev told the RBC news agency about what appears to be yet another twist in the long anticipated privatization of the controlling stake in Bashneft.

Earlier this August, the government delayed the privatization auction for Bashneft after Rosneft, together with public oil company LUKoil, applied to participate in the tender. It has been reported that this led to the decision to postpone privatization.

The sale of Bashneft should have contributed 315 billion rubles ($4.9 billion) to the state treasury. According to the Vedomosti business daily, without the income from Bashneft's sale, Russia's Reserve Fund would be depleted by the end of the year.

Original url:
https://www.themoscowtimes.com/2016/08/29/bloomberg-rosneft-ceo-igor-sechin-proposes-to-pay-5-billion-for-bashneft-controlling-stake-a55146