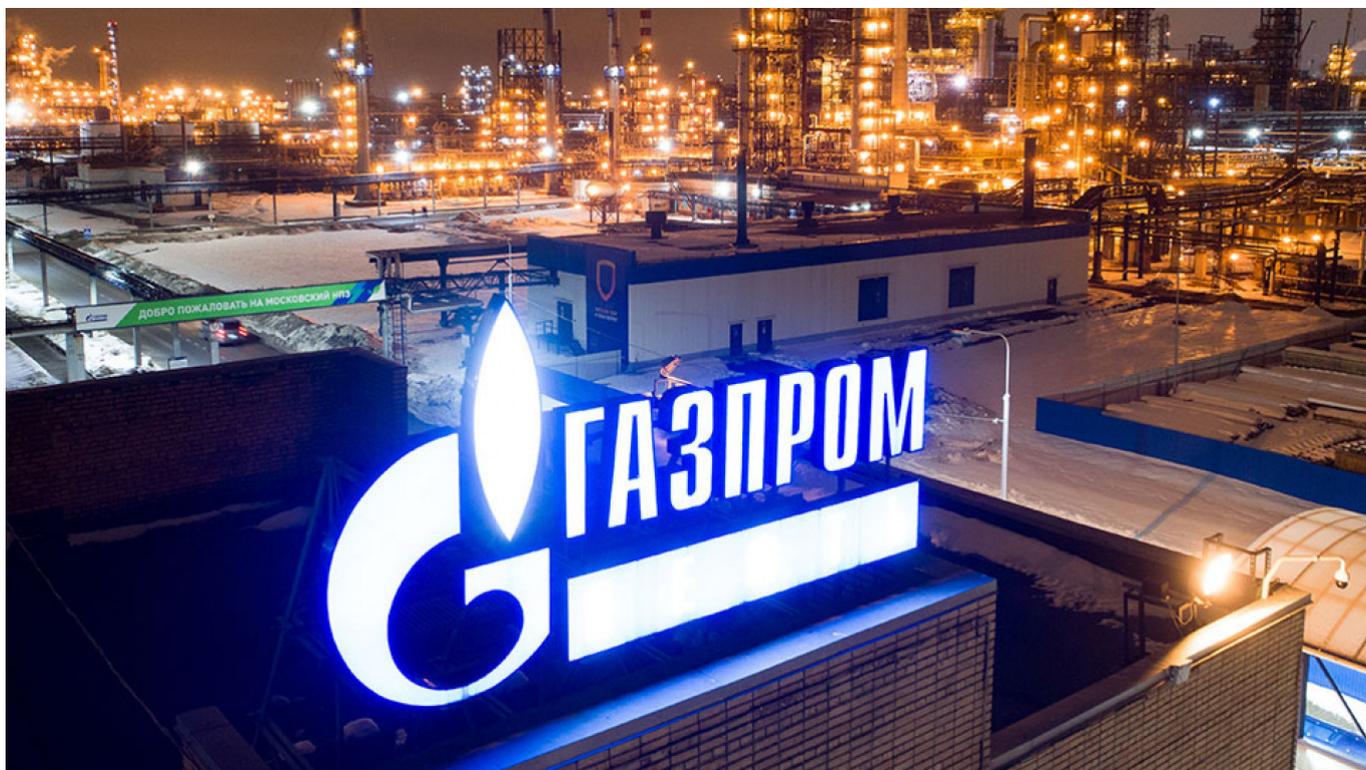


Gazprom in \$3Bln Share Sale to Mystery Buyer

State-backed gas giant sells \$3 billion of discounted shares to a single, unknown buyer.

November 22, 2019



Gazprom is Russia's most valuable company, with a market capitalization of almost \$100 billion. **Sergei Bobylev / TASS**

Russian gas goliath Gazprom raked in \$3 billion Friday selling shares to an unknown mystery buyer in an unconventional share deal.

Gazprom sold 3.6% of its own shares in a 188 billion ruble (\$3 billion) deal, almost completing a share-offloading program announced in the summer by CEO Alexey Miller, the firm confirmed in submissions to the Moscow stock exchange.

Almost 500 investors applied to purchase the shares during a seven-hour window for bids Thursday. The sale concerns Gazprom's so-called "quasi-Treasury" shares, which do not qualify for dividend payments.

Market submissions show the shares were sold at 220 rubles a piece — a 13.2% discount on Thursday’s closing market price.

The entire \$3 billion worth of shares were bought by a single buyer.

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Bloomberg and Russian business paper RBC reported that a similar [sale](#) of Gazprom shares in July that raised \$2.2 billion went to a firm connected to oligarch Arkady Rotenberg, President Vladimir Putin’s former judo training partner. Rotenberg, whose firms have been long-time contractors for Gazprom, [denied](#) he was behind the purchase.

Regarding the fresh sale, one analyst told [The Bell](#): “The market is again talking about Rotenberg” while another said it was “100% an inside deal.”

The speed of the secondary sale further suggests Gazprom already had an “anchor investor” lined-up, Alexander Losev, general director of Sputnik Capital Management said.

Gazprom hinted at a future share sale on Wednesday, launched the transaction on Thursday — giving investors only seven hours to lodge purchase applications during Moscow trading hours — and completed the \$3 billion sale Friday.

“As in July, there was no pre-marketing or large-scale distribution of information to a wide range of investors,” Losev said. “Therefore, we can conclude that there [were] anchor investors and the rest have little chance.”

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Because both deals were for less than 5% of Gazprom’s total shares, the oil giant does not have to disclose the buyer to market regulators. If all shares had been sold in one deal to a single buyer, it would have been required to share their details.

“The most important takeaway from both placements is that new shareholders with a total 6.5% stake have appeared in the shareholder structure,” said analysts at Sberbank in a research note.

“It is not certain whether these new investors are strategic, though an overall investment of \$5.1 billion suggests that most likely they are.”

Gazprom shares have rallied by two-thirds this year, as the company hiked its planned dividend payments and reported growth in profits.

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