

PetroVietnam Has Option on BP Assets

By [The Moscow Times](#)

October 24, 2010

The  **Moscow Times**

HANOI, Vietnam — Vietnamese state oil group PetroVietnam said Friday that it still had the option to buy the offshore oil projects BP agreed to sell to its Russian joint venture, TNK-BP.

On Monday, BP announced that it had agreed to sell a package of oil and gas fields in Vietnam and Venezuela to TNK-BP for \$1.8 billion as the London-based oil major raises cash to pay for its Gulf of Mexico oil spill.

PetroVietnam has priority to buy the assets from BP at the same price that TNK-BP has agreed to pay, a PetroVietnam official told Reuters. She declined to say how much the Russian firm had offered for the Vietnamese assets, but some have valued the assets at about \$1 billion.

"We are still examining the deal and have not decided yet," said the official, who declined to be identified by name or title.

A BP spokeswoman in Vietnam declined to comment on whether the British oil major was talking to PetroVietnam about a possible purchase, or how much TNK-BP offered.

She said BP was aware of its partners' pre-emptive right with regard to the asset sale and confirmed that the sale of BP's Vietnam assets would have to be approved by the Vietnamese government.

India's Oil and Natural Gas Corporation, another partner of BP in Vietnam, was also given priority options to buy the stake and had the right to approve the final sale, according to a report in state-run media on Friday.

ONGC, a state-run explorer, had expressed interest in the assets and in July said it was expecting to submit a joint offer with PetroVietnam.

The sale would bring to about \$11.5 billion the amount BP has agreed to from asset sales in recent months. The company has a divestment target of \$25 billion to \$30 billion over the next 18 months.

Under the deal, TNK-BP would acquire BP's 35 percent stake in an offshore gas condensate project; a 32.7 percent stake in the Nam Con Son gas pipeline; and a 33.3 percent stake in the Phu My 3 power plant.

All three of these assets form an integrated gas and power project with a production capacity of 30,000 barrels of oil equivalent per day, on a working interest basis.

European Union governments have amended planned sanctions against Iran to spare a gas-production venture led by BP in which the Iranian government has a stake, a person familiar with the EU decision said Friday.

The EU will exempt Azerbaijan's Shah Deniz gas field when it announces regulations that implement a July decision to punish Iran's nuclear program, said the person, who declined to be named because the decision will not be published until Tuesday.

European technology used in the venture will be barred from export to Iran, the person said.

(Bloomberg)

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