

TNK-BP Co-Owners Will Block Dividend

By [The Moscow Times](#)

January 31, 2011

The  **Moscow Times**

BP's billionaire partners in the TNK-BP oil venture plan to stop a \$1.8 billion dividend payment as a dispute about the British explorer's alliance with Russia's biggest oil company worsens.

"The decision for now is not to approve the dividend" that was planned to be paid this quarter, Stan Polovets, chief executive of AAR, which represents the Russian partners in TNK-BP, said Monday by phone from London. TNK-BP's board is scheduled to meet Feb. 18, he said.

The partners last week asked a London court to halt a share swap and Arctic exploration agreement between BP and state-owned Rosneft, saying it violates the exclusivity provisions of TNK-BP's shareholder agreement and may erode the competitive advantage and value of the venture.

The dispute threatens a second breakdown in relations between TNK-BP's shareholders. In 2008, current BP chief executive Robert Dudley was ousted as head of TNK-BP as the

billionaires and BP argued over strategy. The 50 percent holding in TNK accounts for about a quarter of BP's output and a fifth of reserves.

AAR's board met Monday to discuss halting dividends for the fourth quarter and having TNK-BP hoard cash. The board comprises Russian billionaires Mikhail Fridman, Viktor Vekselberg and German Khan and U.S. businessman Leonard Blavatnik.

TNK-BP's management also accused David Peattie, BP's head of Russia and representative on the Moscow-based venture's board, of a potential breach of fiduciary duty for his part in a deal between the London-based company and Rosneft, according to a copy of a letter sent to him and read by Bloomberg News.

"TNK-BP considers that the failure by you to advise the TNK-BP board" is a "potential breach of your fiduciary duty as a director of TNK-BP" said the letter, signed by TNK-BP's executive vice president for legal support, Igor Maidannik.

Peattie said in an e-mail that he received a letter from Maidannik and declined to comment on its contents.

Robert Wine, a spokesman for London-based BP, said Sunday that dividend payments were a matter for the TNK-BP board and not just the Russian shareholders. TNK-BP spokesman Dmitry Sergeyev declined to comment on dividends, saying it's a matter for shareholders.

BP agreed on Jan. 14 to swap about \$7.8 billion of its own stock for 9.5 percent of Rosneft. The two also agreed to explore an area of Russia's Arctic waters about the size of the British North Sea. London's High Court will consider AAR's application for an injunction on Tuesday.

BP has proposed that AAR "consent to an expedited arbitration process in Sweden as soon as possible," Vladimir Buyanov, a Moscow-based BP spokesman, said by e-mail. "We are in full compliance with the shareholder agreement and are honoring our obligations, including any that might be related to the Rosneft deal."

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