

BP Says It Intends to Keep TNK-BP Stake

By [The Moscow Times](#)

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BP said it had no plans to sell down its half-share in Russia's third-largest oil producer TNK-BP, denying comments from sources close to its partners that it threatened such a move.

BP said its focus in Russia was on developing TNK-BP, and denied it was preparing to reduce its interest.

"BP has taken no decision to sell any of its shareholding in TNK-BP, and there is no current intention to do so," a spokesman said.

Sources close to AAR, a group of Soviet-born billionaires that owns 50 percent of TNK-BP, said BP executives had indicated on Monday that it was ready to sell down its stake.

AAR interpreted the comments as a possible negotiating tactic to advance BP's hopes for a tie-up with Kremlin-controlled Rosneft, the sources said.

BP signed a \$16 billion share swap and Arctic exploration deal with Rosneft in January, but AAR blocked the deal in court on the basis that the TNK-BP shareholder agreement obliged BP to use TNK-BP as its primary vehicle for investment in Russia.

The deal was supposed to mark a turning point for BP after the Gulf of Mexico oil spill in 2010.

Sources close to BP and AAR said that as part of the talks to allow the Rosneft tie-up to proceed, BP last month told AAR that it could sell part of its stake in TNK-BP to Rosneft if AAR did not lift its opposition to the tie-up.

Such a move could negate the TNK-BP shareholder agreement, thus removing a bar on BP partnering with Rosneft, sources close to both sides said.

AAR fears that if Rosneft gained a foothold in TNK-BP, AAR's effective control of the company would be challenged.

"AAR would be deeply, deeply unhappy with it," one source close to the billionaires said, adding that if BP did this, AAR could revive litigation that it put on hold when BP abandoned the Rosneft deal last month.

"The threat of litigation is very, very real. The whole thing would be a huge mess," the source added.

TNK-BP, headed by Mikhail Fridman, also the leading figure in AAR, threatened to sue BP for \$10 billion in damages for not trying to execute the Rosneft deal through it.

Analysts said they doubted that BP wanted to exit TNK-BP.

"We find it unlikely that BP would sacrifice half of its very lucrative stake in the Russian company with one of the best oil greenfield portfolios in the country and significant gas upside in order to pursue a distant Arctic opportunity with Rosneft," Troika Dialog said in a market comment.

After the Rosneft deal collapsed, BP said it remained in talks with the state-backed energy group about partnerships.

BP remained eager to work with Rosneft. It was "noticeable how hard BP is fighting one way or the other to continue strategic cooperation with Rosneft," Energy Minister Sergei Shmatko told reporters in Moscow on Tuesday.

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