

TNK-BP Mulls Itera Stake to Up Gas Output

By [The Moscow Times](#)

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TNK-BP is seeking to buy half of natural gas producer and trader Itera as BP's venture with a group of billionaires expands its gas business.

Itera, controlled by company president Igor Makarov, is in talks with TNK-BP to sell 50 percent of the company, three people familiar with the matter said, declining to be identified because the talks are private. The price being discussed is less than \$2 billion, one person said.

"TNK-BP is in talks on various options to develop its gas business," a press officer said in an e-mailed comment. "As part of these options, variants to cooperate with Itera are being considered."

Itera's press officer, who couldn't be identified in line with company policy, declined to comment when asked about the talks. Izvestia reported the talks earlier Tuesday.

TNK-BP, the country's third-biggest oil producer, is seeking to boost gas production as consumption and prices rise for the fuel at home. The company could produce as much as 50 billion cubic meters of gas a year in Russia without acquisitions by 2020, Mikhail Slobodin, TNK-BP's executive vice president of the gas business, has said.

Itera holds 49 percent of Sibneftegas, in which Novatek bought control for 26.9 billion rubles (\$900 million) at the end of last year. Sibneftegas produced about 9 bcm in 2010 at the Beregovoye field, its main asset, according to Novatek.

TNK-BP, a 50-50 venture between BP and a Russian group of billionaires, has notified the Federal Anti-Monopoly Service and the government commission on foreign investments about its plans, the press officer said, adding that any further comment would be premature.

The press service of the Federal Anti-Monopoly Service declined to comment on whether it received such an application.

Itera posted net income of \$205.4 million last year, it said in a financial report for 2010.

Itera planned to decide next year whether to sell shares in an initial public offering or to a strategic investor, Makarov said in an interview in June. The gas producer may sell 5 percent of its stock to Sberbank, under agreements reached the same month. Makarov in January said the company was in talks with companies including TNK-BP to sell stock as part of partnership talks.

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