

Rosneft Completes TNK-BP Takeover

By [The Moscow Times](#)

March 21, 2013

The  **Moscow Times**

Rosneft said Thursday that it had closed the acquisition of TNK-BP, making it the world's largest-listed crude producer, with BP as a major shareholder.

The \$55 billion deal is a victory for Rosneft chief Igor Sechin, a close confidant of President Vladimir Putin, and creates a state-controlled oil major with annual hydrocarbon production of about 4.6 million barrels of oil equivalent.

The acquisition, expected in the first half of this year, closed more quickly than forecast. Sources said last month that Rosneft would take control of TNK-BP by April 1.

"This is a historic day for BP in Russia," BP chief executive Robert Dudley said in a statement.

"BP has invested in Russia for more than 20 years, and for a decade we have been Russia's largest foreign investor through our involvement with TNK-BP."

In Dudley's discussion with Putin at a meeting at the president's residence outside of Moscow

on Thursday, where Sechin and bankers who were involved in organizing the financing were also in attendance, the BP chief likened the process of closing the deal to "herding cats."

The deal has brought the state share in Russia's oil sector, the world's largest by output, to more than 50 percent. It has drawn criticism from some analysts and managers of non-state enterprises, who said it would hinder competition and production growth.

Rosneft said it wrapped up the deal to acquire 50 percent of TNK-BP for \$27.73 billion from the AAR consortium of four Soviet-born billionaires. The company also said it completed the purchase of the other half of Russia's third-largest crude producer from BP for \$16.65 billion and 12.84 percent of Rosneft shares.

As part of the agreements, BP also bought an additional 5.66 percent in Rosneft and increased its holding in the company to 19.75 percent.

BP will have two seats on the Rosneft board, including one offered to Dudley, who served as chief executive of TNK-BP until 2008.

Material gathered by The Moscow Times is included in this report.

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