

# BP Announces \$8Bln Share Buy Back

By [The Moscow Times](#)

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BP announced on Friday an \$8 billion share buyback program, acting swiftly to reward investors after it sold its stake in its Russian unit, TNK-BP.

The British oil major, which completed the sale of its half of TNK-BP to Russian state oil firm Rosneft on Thursday, said the \$8 billion return to shareholders was an amount equivalent to the value of the company's original investment in TNK-BP in 2003.

BP had said earlier that it planned to distribute to shareholders some of the \$12.48 billion it netted from the sale, first announced last October.

"This buy-back program should allow our shareholders to see benefits in the near-term from the value we have realized by reshaping our Russian business," said BP chairman, Carl-Henric Svanberg.

The deal, worth \$55 billion in total and the biggest in Russia's corporate history, also gives BP a near 20 percent stake in Rosneft.

The \$4.48 billion balance remaining from the sale after the buyback will be used to reduce group debt, BP said.

BP said the proposed buyback would exceed the amount required to offset the earnings-per-share dilution expected as a result of the sale of TNK-BP, and from the huge reduction to its asset base from \$38 billion worth of disposals carried out to help pay for the cost of the Gulf of Mexico oil spill in 2010.

The company is currently in court in New Orleans over the spill, which happened when the Deepwater Horizon rig exploded and sank, killing 11 men.

The disaster, the worst in the United States' offshore history, prompted BP to cut its dividend that year before it resumed payments in 2011.

BP said it expects the buyback program to take 12 to 18 months to complete.

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