

LUKoil Sells \$1.2 Billion Stake in Kazakh Gas Firm to China's Sinopec

By [The Moscow Times](#)

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Russia's No. 2 oil producer LUKoil has agreed to sell its entire 50 percent share in a company that owns oil and gas projects in Kazakhstan to China's Sinopec for about \$1.2 billion, it said on Tuesday

LUKoil has been decreasing its stake in Caspian Investment Resources, to share the costs at the projects, which require extensive financing.

After completing the deal Sinopec, Asia's largest oil refiner, will become the sole owner of the project. Sinopec also engages in oil and gas exploration and production and companies from energy-hungry China have been looking to secure rights to develop oil and gas abroad.

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"The transaction is meant to optimize LUKoil's overseas hydrocarbon asset portfolio," LUKoil said in a statement.

The firm owns various stakes in four hydrocarbon–production projects in Kazakhstan through a number of joint ventures. Last year, LUKoil's share in hydrocarbon production as a result of the projects amounted to 10.2 million barrels of oil equivalent.

LUKoil said it would continue to participate in Kazakh oil and gas projects, including Kumkol, Karachaganak and Tengiz. The company is also a member of the Caspian Pipeline Consortium.

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