
VEB bought up stake in LUKoil

Wednesday, 17 Jun, 2009

The Moscow Times quoted LUKoil said that Vneshekonombank has acquired a stake in the oil firm without specifying the size of the stake or when it was bought.

Sources close to both the bank and the oil major, however said a stake of less than 5% had been acquired.

The government has been snapping up significant assets and equity stakes in recent months as the recession lowers company valuations, capitalizing on the downturn to gain greater control of strategic industries.

LUKoil, in which ConocoPhillips holds a 20% stakes, is seen as one of the last bastions of private ownership in an industry heavily dominated by the state. About 28% of its shares are publicly traded.

Spokespeople for both LUKoil and VEB declined to elaborate on the deal.

Mr Leonid Fedun LUKoil vice president said in a statement that "The Company welcomes VEB, one of the largest state financial institutions in Russia and a strategic investor in the real economy as one of its investors."

Norilsk Nickel announced last week that VEB had acquired 3.7% of its shares through the support program.

(Sourced from The Moscow Times)

For more news visit at www.steelguru.com