





TNK-BP (Russia)

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TNK-BP Background

- **50-50 Ownership**
- **BP**
- **TNK (Owned by AAR)**

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Statement of Purpose

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- **Run a healthy company with a lean debt structure**
- **Pay heavy dividends**
- **Access to Russian cash-cow oil fields**
- **Partner with a global brand and potentially expand beyond Russia's border**

The Industry

- **Sidanco**
- **Chernogorneft**
- **The Enemy of my Friend is ... ?**



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Key Personnel

Robert Dudley: is the Group Chief Executive and a director of BP. Under Mr Dudley, the joint venture increased oil output by a third to 1.6 million barrels per day. However, he fell out with AAR, who accused him of favoring BP. Later in 2008, he was accused by AAR of having violated Russian laws. He stepped down from his role as CEO of TNK-BP and AAR achieved to have their President Mikhail Fridman installed as interim CEO.

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Incentives to Enter Russia

Lord Browne, then CEO of BP, called the deal "a major strategic step into a country with massive oil and gas reserves and immense potential for future growth."

- Biggest oil producing nation
- TNK's power within Russia also made the company an extremely compelling partner.



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Strategic Plan

- **TNK-BP will have substantial assets**
- **production will total 800,000 barrels a day in Western Siberia and 370,000 in Volga-Ural.**
- **BP will employ skills Russian personnel**
- **Bring machinery and methods from abroad to organize production**

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TNK-BP: Objective and Priorities

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"To become a world-class oil and gas group that is an industry leader in Russia, with a clear focus on the sustainability and renewal of its resources and the efficiency of its operations"

- **Safe, reliable and compliant operations;**
- **Disciplined financial choices;**
- **Competitive project execution;**

(www.bp.com)