

## **Asset Capital Partner's Matias Comments on Rosneft's Share Sale**

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By Benjamin Rahr and Stefanie Haxel

July 12 (Bloomberg) -- Vladimir Matias, a managing partner at Asset Capital Partners in Moscow, comments on OAO Rosneft's initial public offering. The shares are scheduled to start trading in London on July 14.

Matias spoke in German in a televised interview today.

On Rosneft's division, OAO Yuganskneftegaz:

"If you talk to investors here in Russia or at other places, they ask if they should participate in buying Yuganskneftegaz in a different package. That's one point of view.

"Another point is the consolidation of the Russian oil market as such and Rosneft is a very good example for that. Yuganskneftegaz has been consolidated into the company and it's a totally different company, a totally different story. This story is being sold to investors by Rosneft or by the Kremlin."

On investments in Russia:

"You can certainly say that a consolidation is going on in the energy sector and that it didn't actually get easier for foreign investors to participate in Russia's oil industry, or especially in the gas industry.

"On the other hand, Russia is among those countries in the world that still allow investments in the oil industry and don't prohibit them. There are other examples in the world where it's practically impossible. In Saudi Arabia it's almost impossible. In Venezuela it's impossible.

"Russia is certainly not the worst country for investments in oil. The consolidation of those sectors that were privatized after the end of the Soviet Union is still going on."

On the control of the Kremlin after the share sale:

"Its role will certainly not be diminished. This positive signal has to be passed on to investors that the Kremlin is trying to show a good, civilized face to the outside.

"The Kremlin still has a lot to say. The board OAO Gazprom is staffed with representatives of the government. The influence won't be smaller. However, it's a civilized polish for the company. The company will take care of its steps on the local market as well as the world energy market."

On shareholder value:

"Russia wants to show that it's committed to play under Western rules. 'Shareholder value' is a term that is understood by the company and the government. That becomes evident also when looking at the confidence in the company of investors signing up for shares."

--Editor: Buckley

Story illustration: For the stock price of Yukos, see {YUKO RU <Equity> GP <GO>}. For more oil news, see {OTOP <GO>}. See {ECCR 2 RU <GO>} for a summary of Russian IPOs.

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