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Qatar takes stake in troubled Rosneft

Dmitry Zhdannikov and Olesya Astakhova, Reuters

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Qatar is taking a nearly 19 per cent stake in Rosneft, rescuing the Russian oil major from its stalled deal to sell a major stake to China's CEFC.

The deal strengthens ties between Moscow and Doha at a time when Qatar is facing boycott by its Gulf Arab neighbours.

Qatar's sovereign investment fund QIA initially bought 19.5 per cent in Rosneft together with Swiss trading giant Glencore for 10.2 billion euros (\$A16.2 billion) during the Russian firm's partial privatisation in 2016.

But last year the consortium agreed to sell a 14.16 stake in Rosneft to CEFC China Energy in a \$US9.1 billion deal that was seen as key to helping expand relations between Russia and China, the world's top energy exporter and top energy consumer.

That deal ran into trouble after CEFC Founder and Chairman Ye Jianming was put under investigation by Chinese authorities over suspected economic crimes.

Glencore on Friday said that the consortium that had been selling the Rosneft stake had been dissolved, and said Qatar and Glencore would now own stakes directly.

QIA would control an equity stake of 18.93 per cent and Glencore would hold some 0.57 per cent.

"CEFC China's purchase of a stake in Rosneft has ended in a debacle. Russia's pivot to the East now feels more like a pivot to the Middle East," said Christian Boermel, senior research analyst, Russia Upstream, at energy consultancy Wood Mackenzie.

Rosneft was hit hard by US sanctions on Russia over Moscow's annexation of Crimea and incursion in east Ukraine.

The fate of the CEFC deal, one of the largest investments by China in Russia, was seen as a litmus test of how far President Xi Jinping's government was prepared to go with a crackdown on financially risky activities among big-spending conglomerates.

Rosneft said it continued to consider China as a strategic market and believed that Qatar's direct ownership would develop into new bilateral, international joint projects.

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