

E12

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PTQ4714

RELEASED IN PART
B1, 1.5(B), 1.5(D), B4, B5

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ACTION EUR-01

INFO	LOG-00	NP-01	AID-00	CEA-01	CIAE-00	CTME-00	SCBE-00
	DINT-00	DODE-00	SRPP-00	EB-00	EXIM-01	E-00	FRB-00
	H-01	TEDE-00	INR-00	ITC-01	LAB-01	L-01	MCO-01
	ADS-00	AC-01	NRRC-00	NSAE-00	OES-01	OMB-01	OPIC-01
	PM-00	PRS-00	ACE-00	SP-00	IRM-01	SSO-00	SS-00
	STR-00	TRSE-00	USIE-00	SA-01	EPAE-00	SNIS-00	NISC-00
	PMB-00	DRL-02	G-00	SAS-00	/017W		

O 091116Z AUG 99
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC IMMEDIATE 6144
INFO DEPT OF ENERGY WASHDC
USDOC WASHDC
WHITE HOUSE WASHDC
AMEMBASSY LONDON
CIS COLLECTIVE

-----EA556D 091118Z /38

SECTION 01 OF 03 MOSCOW 018909

STATE FOR S/NIS, S/CBED, EUR/RUS, EB/ESC
STATE PLEASE PASS EXIMBANK FOR STEPHEN GLAZER
WHITE HOUSE FOR OVP/FUERTH, NSC/PASCUAL
USDOC FOR 1003/ITA/JKALICKI/JWILSON/JBROUGHNER
USDOC ALSO FOR 3133/USFCS/OIO/CPOZA
DOE FOR GOLDWYN/GEE/HUGHES/CASTELLI/EKIMOFF/COBURN
LONDON FOR USREP EBRD

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E.O. 12958: DECL 06/08/09
TAGS: EPET, ENRG, RS
SUBJECT: NEXT ROUND IN BP AMOCO'S DISPUTE WITH TYUMEN
OIL OVER SIDANKO SUBSIDIARY CHERNOGORNEFT

REF: A) STATE 126331 B) MOSCOW 15456 AND PREVIOUS

CLASSIFIED BY ACTING DEPUTY CHIEF OF MISSION MICHAEL
MATRA, REASONS 1.5 (B) AND (D).

1. SUMMARY. THE TYUMEN OIL COMPANY (TNK) APPEARS
TO HAVE WON A ROUND IN ITS STRUGGLE WITH BP AMOCO OVER

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CONTROL OF SIDANKO SUBSIDIARY CHERNOGORNEFT. PRIOR TO A JULY 30 CREDITORS MEETING, CHERNOGORNEFT PAID OFF U.S. EXIMBANK FINANCING IN FULL AND PAID DOWN ITS DEBT TO THE EBRD, THUS GAINING CONTROL OF CHERNOGORNEFT'S CREDITORS COMMITTEE, SIDELINING EXIM AND THE EBRD. CREDITORS THEN APPOINTED AN EXTERNAL MANAGER PERCEIVED TO FAVOR TNK. SIDANKO AND THE EBRD INTEND TO DISPUTE THE LEGALITY OF THE CREDITORS MEETING AND ACTIONS.

B1, B4

END SUMMARY.

BOLD STROKE BY TNK

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2. IN A BOLD MOVE PRIOR TO A JULY 30 CREDITORS MEETING, CHERNOGORNEFT TEMPORARY MANAGER VASILY BIKIN ORDERED THE COMPANY TO REPAY ITS U.S. EXIMBANK LOAN IN FULL AND PAID DOWN ALMOST A THIRD OF EBRD DEBT INTO AN OFFSHORE ACCOUNT. A LOCAL COURT RULED THAT AS A RESULT, ONLY USD 26 MILLION OF THE USD 35 MILLION EBRD LOAN WAS OUTSTANDING. CONSEQUENTLY, U.S. EXIMBANK WAS SIDELINED WITHOUT A SEAT, AND EBRD AND SIDANKO WERE LEFT WITH LESS THAN 50 PERCENT OF CHERNOGORNEFT'S DEBT AND A MINORITY OF SEATS ON THE CREDITORS' COMMITTEE. CREDITORS THEN APPOINTED ALEKSANDR GORSHKOV, WHO IS PERCEIVED TO BE CLOSE TO TNK, AS EXTERNAL MANAGER. BACKED BY BP AMOCO, SIDANKO AND THE EBRD INTEND TO DISPUTE THE LEGALITY OF CHERNOGORNEFT'S CREDITORS MEETING AND ACTION IN COURT.

APPEAL WITHIN ONE MONTH

Full Page Redaction

Page Number

Exemption Category

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B1, B4

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B1, B4

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LITMUS TEST OF RUSSIAN WELCOME

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B1, B4

TNK ACQUIRES SIDANKO DEBT

7. (S) IN A RELATED DEVELOPMENT, THE TYUMEN OIL COMPANY CONFIRMED TO THE PRESS ON AUGUST 2 THAT IT HAD COMPLETED A TRANSACTION ON ACQUIRING SIDANKO'S DEBT OWED TO WEST LB. TYUMEN WILL NOW SIT ON SIDANKO'S CREDITORS' COMMITTEE. AS IT IS THE HOLDER OF THE SI RED DEBT SIDANKO'S (AND BP AMOCO'S) PLAN TO SETTLE AMICABLY WITH CREDITORS MAY NO LONGER BE A POSSIBILITY. TYUMEN OIL WILL LIKELY MAKE EVERY EFFORT TO KEEP SIDANKO'S BANKRUPTCY PROCEEDINGS GOING UNTIL IT GETS THE CHANCE TO TAKE OVER CHERNOGORNEFT, SIDANKO'S MAIN PRODUCTION SUBSIDIARY AND THE "JEWEL IN THE CROWN."

COMMENT

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