

ADNOC interest in Wintershall Dea deal sparks BASF share rally

LONDON, UK, November 24, 2023 /EINPresswire.com/ -- Major chemicals operator BASF saw a spike in its share price on Friday following news that the Abu Dhabi National Oil Company (ADNOC) is looking at the prospect of acquiring the former's energy interest, Wintershall Dea.

As of 08:55 GMT the share price had risen 1.2%, after traders took notice of a Bloomberg News story outlining ADNOC's interest, which was published late on Thursday. The rise was observed amidst a neutral picture for the German benchmark stock index.

According to Bloomberg, Wintershall Dea's valuation in any future deal could be as high as €10 billion (\$11 billion). The report also named UK-lister Harbour Energy as another potential buyer, citing individuals close to the deal.

No comment has been provided by the 72.7% owner of Wintershall Dea, ADNOC, Harbour Energy, or Wintershall itself.

Martin Brudermüller, who heads BASF, indicated that the group is looking to depart energy with an eye on the current market listing and said that a number of options were on the table as of October. Wintershall Dea is a joint venture between BASF and the Swiss-headquartered LetterOne investment firm headed by Russian billionaire Mikhail Fridman. The holding company has been looking to deconsolidate from its Russian interests in the aftermath of the Russian invasion of Ukraine.

An announcement came from BASF last month that the legal separation of all Russian interests, which have already been effectively expropriated, will be completed in mid-2024.

According to the chemicals giant, there are significant German state investment guarantees in place with regard to the Russia-based assets. On the part of ADNOC, the operator is seeking new opportunities as it eyes global expansion. These include renewable energy, gas, petrochemicals and LNG (liquefied natural gas).

The Emirati operator has already purchased a share in a gas field based in Azerbaijan, and has registered an offer for a stake in Israel's gas producer NewMed Energy alongside BP. ADNOC has also begun talks regarding a takeover of German plastics producer Covestro, and is eyeing the creation of a new chemicals conglomerate with Austrian-based OMV.

German group BASF owns 72.7% of Wintershall Dea with remainder is held by Russian investors Mikhail Fridman, Petr Aven and German Khan.

<https://www.oedigital.com/news/509682-basf-shares-rise-on-report-adnoc-exploring-wintershall-dea-deal>

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