

Eni hires JP Morgan to work on listing of Norwegian oil JV - sources

Italian energy group Eni has hired JP Morgan to work on a possible listing of its Vaar Energi joint venture which could value the Norwegian oil and gas operator at up to \$15 billion, three sources familiar with the matter said.

A final decision by Eni and private-equity firm HitecVision on whether to list a minority stake has not been taken but JP Morgan is testing the waters, along with other banks, for an initial public offering (IPO) in the first half of next year, the sources said.

Oil and gas sector IPOs are a tough sell with several high-profile companies including Wintershall DEA and Neptune Energy repeatedly delaying listings in recent years.

The banks will have to gauge investor appetite as the sector benefits from a strong near-term outlook for oil and gas prices but faces growing uncertainty over long-term demand as economies shift from fossil fuels to low carbon energy.

The sources told Reuters that Eni and HitecVision would seek to value Vaar at \$10-\$15 billion. A listing, most likely on the Norwegian stock exchange, would see them float up to 25% of the venture initially, one of the sources added.

Eni - which is stepping up its plans to spin off parts of its business to raise the cash needed to help fund its transition away from oil - and HitecVision said in October they were undertaking a strategic review <https://www.reuters.com/article/var-energi-m-a-eni-hitecvision-idUSKBN2HG2BR> of Vaar, which included a possible listing.

They may also opt to sell a stake to a partner.

"We have only just started the strategic review and no kind of decision has yet been taken," an Eni spokesman said. A spokesperson for JP Morgan declined to comment. Vaar Energi and HitecVision declined to comment.

Vaar, in which Eni owns a 69.85% stake with the remainder in the hands of HitecVision unit Point Resources, is one of the largest oil and gas producers in Norway.

Output reached 239,000 barrels of oil equivalent a day in the first half of 2021 with a recoverable reserves base of 1.1 billion barrels of oil equivalent at the end of last year, according to a company filing.

On that basis, Vaar is larger than rival Aker BP, controlled by Norwegian billionaire Kjell Inge Roekke and partly owned by BP, whose market valuation is almost \$15 billion.



Chars: 2919

Date: 10.11.2021

“Eni is meeting investors this week to see what demand is like,” one of the sources said, noting the mounting pressure on investors to stop funding fossil fuel companies.

MON (11.11.2021)

Eni, partner HitecVision aim for early 2022 listing. IPO would help Eni reduce debt, shift to low carbon. Shareholders conducting review, no final decision yet – Eni.

Wintershall Dea is mentioned in this article..