

# Chretien turns down Norex

## Canada will not intervene in dispute

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**E**merging from a meeting with Soviet President Vladimir Putin on Friday, Prime Minister Jean Chretien said he will not intervene in a bitter dispute involving a Calgary-owned oil company in Siberia.

The news virtually closes the door on any diplomatic help for Norex Petroleum Ltd., which is attempting to thwart an a takeover by its Russian partner, TNK.

Norex, which has an office in Calgary but is registered as a Cyprus company, watched as its offices were seized two weeks ago by gun-toting guards after a bitter management shuffle. The issue is now before the Russian courts, which have upheld TNK's claims that a shareholders' meeting held last month — in which a new board of governors was appointed — is legal.

Despite pleas for assistance from Norex chief executive Alex Rotzang, Chretien said the matter is being left for the Russian legal system to deal with.

"What can I do? I've raised the question with authorities," Chretien told reporters in Moscow, where he was supporting Toronto's failed bid to host the 2008 Summer Olympics.

"We have to be realistic. We're not (going) to declare a war if they don't do what this gentleman wants," Chretien said.

Reached at his Moscow hotel, Rotzang vowed late Friday to continue fighting the takeover, which stems from a Russian court decision to freeze half of Norex's voting shares — a move that allowed TNK to take control.



ITAR-TASS. Associated Press  
Russian President Vladimir Putin, right, greets Canadian Prime Minister Jean Chretien, centre and his grandson, Philipp, at the Kremlin in Moscow on Friday.

At the time of the vote, Norex owned 60 per cent of Yugraneft Corp., which extracts 10,000 barrels of oil a day in the Khanty Mansiysk region of western Siberia.

TNK held the remaining 40 per cent. "We will keep going," Rotzang told the Herald. "We have a meeting with the governor of Khanty Mansiysk next week. We'll see what we can get there."

A claim by Norex that it holds a 98 per cent stake in Yugraneft has not been recognized by the Russian courts.

TNK officials have disputed reports that the guards were toting machine guns when the offices were seized. The security personnel were present to ensure that the Russian court orders were upheld without incident, the company said.

Dmitry Ivanov, a spokesman with TNK, said the issue has been turned into a political debate, when it should only be seen as a legal battle between two private companies.

The company's actions "have not involved the use of force," Ivanov added.

A Russian court hearing on the matter is set for July 31.

TNK is a subsidiary of the Tyumen Oil Co., one of Russia's largest energy companies.

Canada and Russia have a history of disputes over business practices there. Chretien once complained to former president Boris Yeltsin about the Canadian-owned Aerostar Hotel, which was allegedly being pressured by an aggressive Russian partner.

Yeltsin said the Canadians were being too sensitive and were over-reacting.