

According to the agreement signed last month, CEFC and KazMunayGaz will establish a joint venture in which CEFC will have 51 % stake, while the remaining 49 % will be held by KMG. CEFC will pay 680 million dollars for 51 % stake, with the obligation to invest additional 3 billion dollars in the next five years. CEFC plans further investment and expansion of KMG International's fuel distribution network from 1,000 to 3,000 petrol station.

Prosecutors from the Romanian Directorate for Investigating Organized Crime and Terrorism continue their investigation on possible tax fraud during the privatization of the country's largest oil refinery Petromidia, which is now part of KMG international.

The prosecutors announced that they have frozen the company's assets worth about 670 million euros, which is the estimated damage to the state caused by illegal activities carried out by the refinery's former owners in complicity with Romanian officials. Kazakh state-owned oil company KazMunayGas is accused of failing to settle debts inherited from Rompetrol, the former owner of the refinery prior to the sale in 2007.

This move could delay the acquisition of KMG International by the Chinese group China Energy Company Limited (CEFC), which signed an agreement with KazMunayGas on the acquisition of 51 % stake in KMG International.

Former Minister of Privatization Valentin Ionescu said that the acquisition could now be delayed because this move by the Romanian prosecutors puts into question the value of the company's assets. The decision to seize the Petromidia oil refinery could also endanger modernization investments planned by the new Chinese owners or could even block the entire acquisition.

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KMG International is former Rompetrol Group, which was purchased by KazMunayGas in 2007 for 2.7 billion dollars, which is the biggest private transaction in Romania's history. KMG International owns the biggest oil refinery in Romania - Petromidia, which could process some 5 million tons of raw materials per year. The company also owns the second largest fuel retail network in Romania, which is still under the Rompetrol brand. KMG International also operates petrol stations in Moldova, Bulgaria, Georgia, Ukraine, France and Spain, and in Western markets is operating under the Dyneff brand, transmits Serbia-energy.eu