

Statoil exits oil sands projects in Canada

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Statoil says it has reached an agreement to sell its 100-percent stake in the Kai Kos Dehseh (KKD) oil sands projects in the province of Alberta

Norwegian oil giant Statoil said Thursday it was exiting its oil sands projects in Canada, booking a loss, in a move hailed by environmental activists.

The group said it had reached an agreement to sell its 100-percent stake in the Kai Kos Dehseh (KKD) oil sands projects in the province of

Alberta, to the Athabasca Oil Corporation of Canada for Can\$832 million (\$626 million, 597 million euros).

Following the divestment, Statoil will not operate any oil sands projects, a business area the deepwater oil specialist had moved into to great dismay of analysts.

Statoil will take a loss of between \$500 and \$550 million on the deal.

Of the Can\$832 million, Can\$435 million will be a cash transaction and Can\$147 million will be paid in the form of shares in Athabasca, representing a stake of just under 20 percent. In addition, up to Can\$250 million will be paid in a series of contingent payments.

The stake in Athabasca "will be managed as a financial investment", and not a strategic one, Statoil noted.

Thursday's announcement was welcomed by [environmental activists](#) who have been highly critical of projects involving oil sands due to the danger their extraction poses to the environment.

"Ten years too late, we celebrate and hail Statoil for its smart decision," Greenpeace Norway tweeted.

"Hurrah. Statoil sells its [oil sands](#) projects. We've been fighting for this for a long time," the Norwegian branch of the WWF tweeted.

The operation, which is subject to certain conditions including authorities' approval, is to take effect on January 1.

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