

Australian gas company WestSide rejects China's landbridge takeover offer
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Australian gas firm WestSide Corp Ltd on Monday rejected as undervalued a takeover offer from China's diversified energy company Landbridge Group Co Ltd that valued the company at A\$177.6 million (RM540 million).

Landbridge, based in Shandong, China, launched the bid for the Queensland-based coal seam gas company to gain entry into northern Australia's fast-growing gas industry. It currently owns a 3.2% stake in WestSide.

WestSide said the proposal, which has already been increased to A\$0.40 per share a week ago from A\$0.36, did not represent fair value as it did not take into account recently announced gas sale deal with a consortium including Santos Ltd, Total SA and Korea Gas Corp (KOGAS).

The gas sale agreement could generate over A\$110 million in annual revenue to WestSide at the maximum production rate, the company added. It recommended shareholders reject the Landbridge offer.

WestSide owns the Meridien CSG field in Queensland state, where three large liquified natural gas projects are being built and are due to begin operating over the next two years.

WestSide shares gained 1.3% to A\$0.38, against a 0.1 percent slip in the broader. – Reuters, May 5, 2014.

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