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CoucheTard, PetroChina, KKR vie for servos - DATAROOM

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The sales process for about 230 of the Woolworths petrol stations is understood to be drawing to a close, with Couche-Tard, PetroChina and Kohlberg Kravis Roberts believed to be the final three firms in contention.

It is understood KKR may be partnering with Peregrine Corp, which owns the convenience retail-driven network On The Run, to buy the assets.

The competition watchdog took exception to an earlier planned sale of the 531 petrol stations that Woolworths owns to BP for \$1.8 billion, arguing that it would lessen competition and have an impact on pricing.

Following that, a formal process was launched by BP to find buyers for about 230 of the stations in the portfolio about a month ago. However, it remains unclear whether a sale of close to half of the portfolio would satisfy the ACCC.

Couche-Tard operates convenience stores in the US and Europe and is dominant in the Canadian market. It has about 15,000 stores globally. An acquisition of the Woolworths petrol stations would be its first foray into Australia.

Meanwhile, some are questioning whether takeover target Santos could see a rival bid from Total and Quadrant Energy. It is understood the parties have not discussed putting forward a bid but some believe it would make sense.

Total has always been seen as the natural buyer of the stake Santos owns in its PNG project, along with Gladstone LNG.

For the balance of the assets, you need a domestic player, and Quadrant, while partly owned by Brookfield, also counts the Australian-listed Wesfarmers and Macquarie Group as its major shareholders.

Macquarie is the No 2 gas trader by volume in the US.

The \$13.5bn Santos takeover bid by Harbour Energy is still expected to play out over some time, which would leave Total and Quadrant in no hurry to make a move.

Some remain sceptical as to whether the government will let the bid pass. A sale would be placing an important domestic gas producer in the hands of a group that counts a US-based private equity firm as a major investor and probably Chinese-based Hony Capital and ENN. Mercuria Energy is also expected to take a stake in the business. While based in Switzerland, it may have links to China.

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