



HD BG expects \$4 bln sale of Australian gas pipeline by Christmas

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British gas giant BG Group Plc expects to finalise a roughly \$4 billion sale of gas pipelines in Australia's Queensland state by Christmas, a source close to the deal said.

Bidders have been given a deadline of the end of November to lodge final offers for the 335 miles of pipeline, the source told Reuters on Wednesday, declining to be identified because of the sensitivity of the sale process.

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Those expected to bid include Hong Kong's Cheung Kong Infrastructure Holdings Ltd, which in 2014 bought gas pipeline company Envestra Ltd for A\$2.37 billion (\$2.1 billion), and Envestra rival Australian Pipeline Ltd in a consortium with Japan's Marubeni Corp, the source said.

Queensland government fund Queensland Investment Corp (QIC) and pension fund IMF are expected to lodge a joint bid, as is Australian fund manager AMP Ltd, the source added.

Australia's last big energy asset sale of the year comes as vendors try to complete deals before the governments of Queensland and New South Wales states embark on energy infrastructure sales worth some \$50 billion between them, including the A\$20 billion sale of a half stake in NSW's electricity network.

There's a wave of assets coming down the tollway to the market over the next two years. Anyone that wants to get something done would probably be keen to get it done before those, said a utility analyst.

It also comes as Australian energy companies anticipate a major shake-up when BG's Queensland Curtis Island liquefied natural gas project starts exporting Australian LNG in early 2015, diverting supply and pushing up gas prices on the domestic market.

Goldman Sachs is running the BG pipeline sale, as well as the sale of two NSW government power stations, one gas-fired and one coal-fired, known as Delta Coastal, in a sale expected to fetch up to A\$1 billion and also expected to be finalised by Christmas, the source said.

Local media has reported that hydro-electric energy company Snowy Hydro Ltd, which is owned by the Australian federal government and the NSW and Victoria state governments, is expected to bid for the Delta Coastal asset.

A spokesman for CKI, a spokesman for Australian Pipeline and a spokeswoman for Snowy Hydro did not immediately return calls requesting comment. A QIC spokeswoman and an AMP spokeswoman declined to comment.

CO austmp : AMP Ltd | brgas : BG Group PLC | chkinf : Cheung Kong Infrastructure Holdings Ltd | envest : Australian Gas Networks Ltd | mrubni : Marubeni Corp | queeic : Queensland Investment Corporation | hutwam : Hutchison Whampoa Limited

IN i1300006 : Pipeline Transportation | i1 : Energy | i13 : Crude Oil/Natural Gas | i1300014 : Natural Gas Extraction | i502 : Heavy Construction | i81502 : Trusts/Funds/Financial Vehicles | i82 : Insurance | i82002 : Life Insurance | i8396 : Diversified Holding Companies | ibcs : Business/Consumer Services | iconst : Construction | icre : Real Estate/Construction | iextra : Natural Gas/Oil Extraction | ifinal : Financial Services | iinv : Investing/Securities

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