

HD Woodside **stake** may be split

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Royal Dutch Shell's 23.1 per cent **stake** in Australian **oil** and gas group Woodside Petroleum is seen as more likely to be split up and/or sold to institutional shareholders than to go in one piece to a strategic buyer, bankers said. The holding, worth about \$6.4 **billion** and left over from Shell's abortive attempt to acquire Woodside in 2001, has long been viewed as non-core to Shell. This year, the Anglo-Dutch **company** promised to accelerate asset sales to reflate a narrowing cushion between cash inflow and investment spending. Reuters was unable to verify Shell's intentions for the **stake**. Shell and Woodside declined to comment on its future. Bankers say the holding is an obvious selloff candidate for incoming chief executive Ben van Beurden, who will offer strategy pointers on January 30 along with fourth-quarter results. However, they say, other investor-owned international **oil** companies big enough to buy it are also in selloff mode.

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Meanwhile, a strategic buyer such as one of **China's** top **oil** companies or the national **oil** companies (NOCs) of gas-hungry countries such as India or Thailand might be put off by Shell's experience with the Australian government when it tried to take full control of Woodside in 2001. "Bidder-wise, it's a tricky one," one banker said. "The deal is big enough to require a review by the government, and although Woodside is not as important as it was at the time when Shell's bid was blocked, it is still the largest independent **oil company** in Australia, so I don't think the **Chinese** NOCs would be welcome." The banker suggested Middle Eastern or Southeast Asian sovereign wealth funds might be interested, but said Shell probably would not find a buyer among them for the entire **stake** and would have to sell in small blocks. The banker predicted Shell would exit via a combination of strategic sales, market placements and probably a share buyback by Woodside.

CO wodpet : Woodside Petroleum Ltd | rnlp : Royal Dutch Shell PLC

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