HD DEALTALK-New buyers seen fueling Asia Pacific oil and gas M&A
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MELBOURNE/HONG KONG, Nov 4 (Reuters) - A new breed of buyers and a handful of cashed-up energy firms are set to pounce on oil and gas producers and assets in the Asia Pacific next year, as a prolonged plunge in oil prices deepens the pain of an industry loaded with debt.

Some $14 billion worth of deals have already been launched in Australia this year, but with oil prices forecast to stay around $50 a barrel for at least another year, companies are paring back the value of their assets and those short of funds or struggling to pay down debt may look to sell, bankers say.

"Vendors are getting more realistic, oil prices are a year into being weak and we've got a lot of changes in companies, so the fundamentals are there for activity," said Philip Graham, co-head of Asia Pacific energy investment banking at Citigroup.

Australia's Woodside Petroleum, spurned in an A$11.6 billion ($8.4 billion) bid for Oil Search, and Scepter, a fund backed by Brunei and United Arab Emirates' royals whose bid for Santos Ltd has also been rejected, are waiting for their targets to cave in without upping their offers.

A greater willingness to conclude deals may also flow from management changes at companies looking to adapt to a world of cheaper oil, as at Australia's Beach Petroleum and Drillsearch Energy Ltd, which agreed a A$1.2 billion ($865 million) merger last month.

Bankers say a new array of bidders, including private Chinese enterprises and private equity firms, are likely to join national oil companies and cashed-up producers like Woodside as potential acquirers.

"The buyer universe is changing," said Morgan Stanley oil an and gas banker Nicholas Godhard, who is advising Oil Search in its defence against Woodside.

NEW BUYERS

Chinese gas distribution companies, such as ENN Energy , want to lock in supplies of liquefied natural gas (LNG) to ease their dependence on state-owned giants CNOOC Ltd , PetroChina and Sinopec, bankers say.

While the gas distributors are not yet ready to do full takeovers and take on development risk, they are eager to acquire stakes that will give them gas supplies or act as a hedge against supply from sources closer to home.

Chinese entrepreneurs and congolomerates looking to diversify into energy are also entering the fray. Conglomerate Fosun International Ltd, primarily an insurance group, snared its first oil assets last year when it bought Australia's Roc Oil Co for A$474 million. Fosun declined to comment, while ENN did not respond to emails seeking comment.

"We've been surprised by the emergence of entrepreneurs. They seem to have access to very large sums of money from state banks," said Morgan Stanley's Godhard.

Chinese state firms like PetroChina and national oil companies like Malaysia's Petroliam Nasional Bhd (Petronas) and Thailand's PTT Exploration & Production , although burned by top-of-the-market acquisitions between 2010 and 2014, are also not being counted out as potential buyers.

"They take a long term view, recognize that E&P (exploration and production) is a risky business and are not completely deterred by oil price volatility," said S&P senior director Mehul Sukkawala.

PNG TARGETED

The coveted assets in both Oil Search and Santos are stakes in the Papua New Guinea LNG project, seen as one of the world's lowest cost and expandable new LNG projects.

PNG is likely to spawn other deals in 2016 as players there look to consolidate holdings, alongside sales of Southeast Asian assets by U.S. and European majors and independents, and sales by smaller Australian players.

Bankers see U.S.-listed PNG firm InterOil Corp as a likely target. InterOil declined to comment on what it called market speculation.

"People will bid for InterOil as an alternative way and cheaper way of getting at LNG projects in Papua New Guinea," said Viral Gathani, head of energy, natural resources and infrastructure at CIMB.

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