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Speculators chase Woodside target AS Woodside Petroleum upwardly revised its full-year production guidance yesterday, there were market rumblings that it is in the throes of preparation for a major **acquisition**.

Some are questioning whether the target that has caught the attention of Australia's \$33 **billion energy** giant could be the London-listed Ophir **Energy**, given that there was a sense among sources that the group was busy examining a big takeover target offshore.

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Ophir, listed in London and close to investment bank JPMorgan, has a market capitalisation of about £1.1bn (\$2bn). It would be attractive to Woodside for its acreage in the region surrounding Tanzania and Mozambique, where there are some of the most lucrative gas opportunities available globally.

Other analysts have been saying Canadian assets are on the group's radar. A less likely possibility is Papua New Guinea, familiar ground to InterOil, which has also fuelled previous speculation that the **company** is among Woodside's targets.

There was talk Woodside could buy Apache's **stake** in the Kitimat LNG project in Alaska, which would make sense as it has flagged some interest in North American exposure. Woodside, which has previously had Credit Suisse bank in its corner, is certainly under pressure to do something, given it is sitting on a growing pile of cash and does not have any near-term development opportunities.

It has already been very active in picking up exploration acreage around the world, entering at least eight new countries to date. They have been less expensive acquisitions for the **energy** giant, but are long-dated and uncertain options.

Woodside has also been rumoured to be looking at Apache's interest in Western Australia. Apache is selling its \$2.4bn **stake** in the under-construction Wheatstone LNG project through Macquarie Group and Goldman Sachs, and flyer documents for the **sale** have been sent to about 10 interested parties, including Woodside, Santos, Origin, the **China** Investment Corporation, Temasek and Japanese groups Mitsui and Osaka Gas. Apache's other profitable WA gas assets may also be in Woodside's sights, given they generate solid cash and could help ease state government concerns about Woodside's commitment to supplying the WA gas market.

Packer under the pump JAMES Packer said it all yesterday when he acknowledged at the Crown Resorts annual general meeting that recent trading in Macau had been "difficult".

Shares in Crown's one-third owned Asian gaming **company** Melco Crown Entertainment hit a year-low this week in trading on the Nasdaq following a number of analysts' downgrades of the stock, including Wells Fargo and Morgan Stanley.

The sentiment towards Macau gaming stocks has been poor since June, when gross gaming revenues fell for the first time since 2009, and they have been on the slide ever since.

Todd Jordan, managing director at Hedgeye Risk Management, didn't help sentiment in New York trading on Wednesday when he signalled out the premium mass-market segment as a pressure point in Macau.

This is one of Melco Crown's key markets, and the **company** is planning to open its 60 per cent owned Studio City project next year, which will be focused on this previously booming market category.

Jordan's comments were supported by the weak mass-market numbers recorded during the recent Golden Week holiday season.

The average daily table revenue for the first six days of the holiday season came in at \$HK1.2 **billion** (\$177 **million**) per day, down 33 per cent from \$HK1.68bn recorded last year, missing consensus estimates of a 20 per cent decline.

Yet there are still those who believe in the Macau story — seven investment analysts still have a buy rating on Melco Crown, while six have the stock on a hold rating.

Ingham **sale** delayed COMMONWEALTH Bank's plans to float the holiday park portfolio belonging to the wealthy Ingham family could be placed on the backburner, with suggestions the banks attempts to lock in two cornerstone investors is proving frustrating.

The family, which amassed its fortune through its poultry empire, has embarked on plans for an initial public offering or trade **sale** for a portfolio of six to eight holiday parks on Australia's east coast.

The properties are owned by the relatives of the late Jack Ingham, who, with his brother, Bob, expanded the chicken and turkey empire Inghams Enterprises.

Should the IPO of the holiday parks proceed, the **company** would compete with other groups already invested in the manufactured housing space. These include the listed retirement operator Ingenia and Alceon, a **company** backed by investment bankers Trevor Loewensohn and Phil Green.

Crescent cashes out PRIVATE **equity firm** Crescent Capital last night was looking to exit travel insurance **company** Cover-More by selling its 13 per cent **stake** at \$2.13 a share. The \$87.3m block **sale** continues the trend of private **equity** sell downs.

Talk around the market last night was that QBE Insurance could be a willing buyer to get exposure to the fast-growing travel insurance business.

Investment bank Goldman Sachs is managing the **sale**, which will see the shares sold at a 2.2 per cent discount to the stock's closing price yesterday. Following the **sale**, Cover-More management will hold a combined 4.6 per cent **stake** in the insurer.

Crescent floated the **company** last year, after raising \$521m in an initial public offering. The remaining 41 **million** shares held by Crescent came out of escrow after the **company** reported full-year results in August.

Pacific **Equity** Partners got the ball rolling for private **equity** sell downs in August when it sold nearly \$600m of shares in the listed credit bureau Veda. Investors are becoming more used to the idea of large block sales hitting the market on newly listed companies. This suggests there is a greater alignment of investor interests.

Cover-More in August posted a 20.1 per cent jump in pro-forma gross travel insurance sales to \$369.1m and a 27 per cent increase in pro-forma EBITDA to \$51.9m — this was nearly 10 per cent up on the prospectus figures from last December's listing.

While travel is its mainstay, Cover-More is pushing deeper into medical insurance and expanding in Asia.

Edited by Bridget Cartercarterb@theaustralian.com.au

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