

HD AWE Deal Hard to Judge but Its Track Record Is Positive, UBS Says -- Market Talk

WC 219 words

PD 15 August 2014

ET 10:08

SN Dow Jones Institutional News

SC DJDN

LA English

CY Copyright © 2014, Dow Jones & Company, Inc.

LP

0008 GMT [Dow Jones] There are few details to judge AWE's (AWE.AU) latest **acquisition** on but the **company** does have a positive recent track record in **M&A**, says UBS. The **company** says it is making its first entry into **China** with a deal to buy 40% of an exploration block in the western part of the prolific Bohai Bay Basin. Assuming the two wells are drilled to their budget, AWE will spend A\$20.2 **million** on both over fiscal 2015 and 2016. UBS says there's no mention of whether the first well is targeting **oil** or gas and no guidance on the size of the prospect, so it's difficult to judge how material success could be. Still, given the shallow water in the area and the close proximity to the coast and pipeline infrastructure, the brokerage says any discovery could be quickly commercialized. It has a neutral recommendation on AWE and A\$2/share target. AWE is trading up 0.3% at A\$1.735. (robb.stewart@wsj.com; Twitter: @RobbMStewart)

TD

Contact us in Singapore. 65 64154 140; MarketTalk@dowjones.com

(END) Dow Jones Newswires

August 14, 2014 20:08 ET (00:08 GMT)

IN i1 : Energy | i13 : Crude Oil/Natural Gas

NS c1521 : Analyst Comments/Recommendations | cacqu : Acquisitions | ccat : Corporate/Industrial News | namt : All Market Talk | ndjmt : Dow Jones Market Talk | nenac : Energy Asset Class News | neqac : Equities Asset Class News | c12 : Corporate Crime/Legal Action | c15 : Performance | c152 : Earnings Projections | c18 : Ownership Changes | c181 : Acquisitions/Mergers/Takeovers | cactio : Corporate Actions | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter | nfcpx : FC&E Executive News Filter | nfcpx : FC&E Industry News Filter

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB Dow Jones & Company, Inc.

AN Document DJDN000020140815ea8f0000b