

# FINANCIAL REVIEW

**SE** Market Wrap - Street Talk  
**HD** **Cheung Kong pulls out of BG Group 's \$US4b auction**  
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**LP**

Gas giant BG Group should expect three bids for its \$US4 **billion**-plus Queensland gas pipeline, after heavyweight infrastructure buyer Cheung Kong was a late withdrawal from the auction.

It is understood Cheung Kong representatives and their lending group recently stopped working on the deal, after realising it was unlikely to be able to compete with rival offers.

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That leaves ASX-listed APA Group ; local infrastructure fund IFM Investors and partner QIC Ltd ; and AMP Capital with **China** Investment Corporation , the \$US200 **billion** sovereign wealth fund, in the running for the pipeline.

The three groups are expected to send their offers to BG adviser Goldman Sachs on Friday morning, before a preferred bid is anointed and approval is sought from the UK giant's partner, CNOOC Group .

Bidders expect a deal could be signed within a fortnight and may be ready to close early in the new year.

Up for grabs is BG's 540-kilometre buried natural gas pipeline network, which links its gas fields to Gladstone and is part of the **company**'s Queensland Curtis LNG project.

The other two LNG ventures under construction in Queensland, Santos's GLNG venture and Origin **Energy** 's Australia Pacific LNG venture, will be watching the process closely, as they also consider spinning off pipelines once the projects are nearer to completion.

Among the bidders, APA is the only publicly listed **company**.

Its shares have traded strongly in recent months, despite the very real prospect it may raise **equity** to fund its bid if successful.

Macquarie Capital , Morgan Stanley and Deutsche Bank are on hand to manage the **equity** piece.

**CO** brgas : BG Group Plc | chinvm : China Investment Corp. Ltd. | chno : China National Offshore Oil Corporation | ifmpl : IFM Investors Pty. Ltd. | queeic : Queensland Investment Corporation | isuhpl : Industry Super Holdings Pty. Ltd. | rnlp : Royal Dutch Shell PLC

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