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HD **Don't get carried away with Chinese whispers**

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WestSide Corporation (WCL) 29.5c

GIVEN takeover tilts are all about timing, is the renewed Chinese interest in the Queensland coal-seam gas minnow aimed at heading off a company-changing supply deal?

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The Shandong-based Landbridge Group intends to lodge a 36c a share, off-market offer for WestSide, which owns 51 per cent of the Meridian field near Gladstone and the big-ticket LNG export projects.

WestSide has been unwilling to open the kimono since Landbridge came a knockin' on February 7. Not unreasonably, the offer is subject to scrutiny of the cost and the scope of the 680-petajoule Meridian project.

With all the hype about a pending domestic gas shortage and with the three (possibly four) vaunted export projects short of a methane molecule or billion, uncontracted suppliers such as WestSide should be more popular than a prom queen.

Instead, every offer for WestSide has become less generous amid concerns about cost blowouts and burdensome regulation.

Early last year LNG discussed an indicative 65c a share tilt. Then Chinese giant PetroChina -- which has a 20 per cent stake in LNG's stalled Fisherman's Landing plant -- lobbed and then withdrew a 52c a share non-binding offer. Talking up the value of its $160 million entreaty, Landbridge stressed the ``uncertainty over the funding and development pathway for WestSide's assets''.

With WestSide looking reluctant to engage, Landbridge is doing the right thing by letting holders -- notably New Hope Coal on 17 per cent -- decide for themselves. The tilt comes as WestSide reportedly closes in on an offtake deal, with one of the Gladstone's mega projects.

With the shares settling well under the (proposed) offer price, WestSide is a hold. Given the poor history of Chinese takeovers in the junior resources sector actually being executed, no one is getting too carried away.

LNG (LNG) 52c

COINCIDENTALLY, LNG shares enjoyed a lusty 9.5c, 22 per cent romp yesterday, but the reason resides more dockside in Louisiana than at the stalled Fisherman's Landing.

LNG has focused attention on its Magnolia LNG export project at Port of Lake Charles, which would be one of the first for the previously energy-hungry US.

On Thursday LNG said global utility giant AES had signed up an MOU for between 800,000 tonnes and one million tonnes a year of output from Magnolia. Magnolia is planned initially as a 4mtpa venture across two production ``trains'' at $US2.2 billion ($2.4bn).

AES's peers Gunvor and GNF have already inked similar agreements with LNG.

Then on Friday the US Department of **Energy** granted LNG permission to export an extra 4mt to countries covered by a free trade agreement with the US, adding to the 4mt already granted.

The involvement of AES won't do LNG's cred any harm as it seeks debt funding for the project, underpinned by a $US660m **equity** deal with Stonepeak Partners for a half-**stake** in the project.

Foster Stockbroking's Martin Carolan says the only other pure-play US gas export exposure is the $US10bn market cap Cheniere **Energy**, which is planning a 15mtpa facility near Corpus Christi in Texas.

Our spec buy call at 34c last September is cooking with gas, so we'll stay on board this LNG train.

Leighton Holdings (LEI) $23.09

LEIGHTON'S board and management may have called meddling majority shareholder Hochtief many things in recent years, but now ``creep'' can't be one of them.

In a gambit that transports your columnist back to the Ron Brierley days of the bad-perm 1980s, the Germany-based, Spanish-owned Hochtief has launched a proportional takeover to put local investors partly out of their misery.

Rather than using the 3 per cent a year ``creep'' provision, the offer will push Hochtief's holding from 58.7 per cent to as much as 74 per cent and make it abundantly clear who wears the lederhosen around the board table. Some holders may be willing to accede to the half-pregnant approach and sell three out of every eight shares held to Hochtief, at $22.15 plus the 60c a share franked final dividend.

The less messy alternative is to sell the lot at the current overbid market price.

There are plenty of reasons to be less than enamoured with Leighton, given the woes with contract underperformance, corruption allegations, management instability and a shareholder class action. Arguably, there's upside if the woes can be resolved. Last month's calendar 2013 results were better than expected, but concerns abound around poor cashflow, gearing and contract under recoveries.

We ascribe an on-market sell for those who have had enough of the dramas.

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