

Bangchak in tender offer for outstanding Nido shares

THE NATION

BANGCHAK PETROLEUM'S newly founded subsidiary in Singapore, BCP Energy International, has entered a bid implementation deed to make a recommended tender offer to purchase all of the outstanding shares that it does not already hold in Australia's Nido Petroleum at the same price as a share sale agreement via an off-market takeover.

The initial offer period is one month and amounts to not more than 98.2 million Australian dollars (Bt2.94 billion).

The purchase under the share sale agreement and the tender

offer will have a combined transaction value not exceeding A\$120.4 million excluding fees, taxes and transaction expenses.

The move follows Bangchak Petroleum's establishment of BCP Energy last Wednesday. The latter on the same date entered the share sale agreement with Petroleum International Investment Corporation (PIIC) for the acquisition of 402,951,875 fully paid ordinary shares of Nido, in accordance with the board resolutions on July 29.

Bangchak president Vichien Usanachote said that last month BCP Energy acquired the fully paid ordinary shares, equivalent

to 19.66 per cent of total issued share capital of Nido, from PIIC. That transaction amounted to A\$22.2 million. Bangchak reported that it would use its cash reserves for this transaction.

The tender offer will lead to Bangchak ownership in the Galoc oilfield and the redevelopment of the West Linapacan oilfield, both in the Philippines, as well as other fields.

This will result in an immediate revenue contribution and the chance for further revenue later.

Vichien noted that the professionalism of Nido's management and would enhance Bangchak's long-term

competitiveness.

As of the end of March, Bangchak had cash of Bt4.5 billion.

Bualuang Securities noted in its research that Bangchak's investment in upstream business was its first exposure to an overseas market.

It considers that the investment will not have negative effects on Bangchak (BCP) in terms of value, but the brokerage firm might change its view if the company plans heavy investment in upstream businesses, because this would entail large budgets and high risks.

BCP's stock price yesterday closed at Bt29, up 0.87 per cent from Friday.