

# Oil & Gas



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There has been a steady level of reported deal activity in 2009 in the Oil and Gas sector including a few very significant transactions.

China moved into the spotlight again this year as state-owned Oil and Gas companies announced major deals involving upstream and midstream operations. In particular, Sinopec's US\$7.2-billion takeover offer to acquire the shares of Canadian- and UK-listed and Swiss-headquartered Addax Petroleum (assets in West Africa and Iraq) and PetroChina's US\$2.3-billion acquisition of Singapore Petroleum Company. In addition, the status of CNPC's attempt to acquire the Verenex Energy assets is still outstanding pending a final decision regarding the potential to exercise pre-emptive rights in Libya.

Indonesia was an active market with some domestic deal activity including Pertamina's acquisition of BP North West Java and a number of inbound deals including China Sonangol's investment in PT Surya Energi Raya and United Energy's attempt to acquire PC (NAD) International which is still in progress.

Japan and South Korea reported significant deals with Sumitomo of Japan acquiring Oranje-Nassau Energie for US\$886 million in order to expand its North Sea oil assets, Korea National Oil Corporation of South Korea combining with Ecopetrol of Columbia to acquire US-based Offshore International Group for US\$900 million, and DSME E&R and PENCO Energy, both South Korean companies, investing in PT Syabas Usaha Migas.

With August 2009 benchmark crude levels up approximately 50% from 2008 year-end levels, activity in Asia should continue to remain strong for the remainder of the year with Asian companies continuing to look globally for assets to acquire interest from global companies looking to invest in Asia, and Asian players looking to consolidate within their own countries or within the region. ■