
CNOOC eyeing Talisman and Santos -Report

Tuesday, 27 May, 2008

Reuters quoted Hong Kong's South China Morning Post newspaper reported that Chinese oil firms are considering investing in Canada's Talisman Energy Inc and Australia's Santos Ltd.

The paper said China's No 3 oil firm, CNOOC Ltd was in talks that could lead to asset sales or a complete takeover of Talisman, Canada's No. 3 oil explorer. It also said PetroChina was considering taking a stake in Santos, Australia's No 3 oil and gas producer.

Santos said earlier this month it was considering strategic initiatives, which analysts have said could be a decision on a joint venture partner for a USD 7.7 billion, 3-4 million tonne per year liquefied natural gas plant that uses coal seam gas.

Last week Talisman said it would sell operations in the Netherlands, Trinidad and Denmark, raising about USD 2 billion and allowing it to focus on higher quality assets.

Analysts have said firms with experience in LNG such as Royal Dutch Shell, BP Plc and ConocoPhillips would be likely candidates.

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