

Oil & Gas and Mining 2007 M&A Activities

Mirza Diran
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- Mining; global and asia pacific
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Deal places: All oil & gas transactions by primary continent by value of transaction – 2007 (total US\$292.2bn)

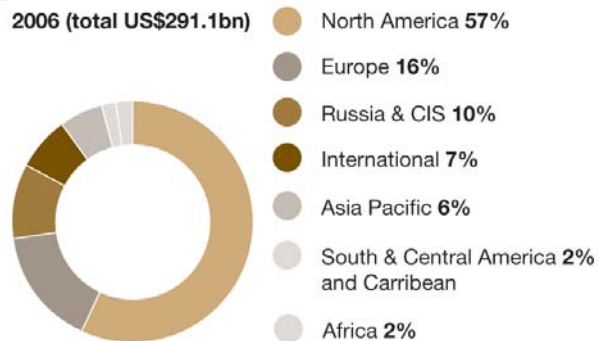
North America	2006	2007	% change
Value of deals (US\$bn)	164.7	129.7	-21.3%
Number of deals	556	563	+1.3%
Europe	2006	2007	% change
Value of deals (US\$bn)	46.7	18.2	-61%
Number of deals	88	78	-11.4%
Russia and the CIS	2006	2007	% change
Value of deals (US\$bn)	30.1	35.7	+18.5%
Number of deals	42	41	-2.4%
International	2006	2007	% change
Value of deals (US\$bn)	20.5	75.8	+269.2%
Number of deals	50	71	+42%



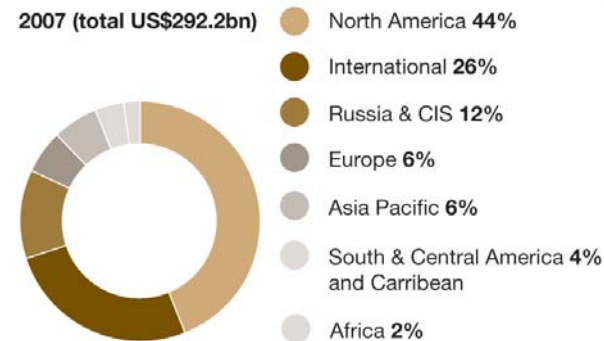
South & Central America and Caribbean	2006	2007	% change
Value of deals (US\$bn)	5.5	11.4	+108.4%
Number of deals	33	39	+18.2%
Africa	2006	2007	% change
Value of deals (US\$bn)	7.4	5.2	-29.6%
Number of deals	38	25	-34.2%
Asia Pacific	2006	2007	% change
Value of deals (US\$bn)	16.2	16.2	0%
Number of deals	105	76	-27.6%

Source: PricewaterhouseCoopers, O&G Deals Annual Review 2007

2006 (total US\$291.1bn)



2007 (total US\$292.2bn)



2007 Top 10 oil and gas deals

No.	Value of transaction (US\$m)	Date announced	Buyers	Sellers	Primary Continent
1	20,145.0	17 Jul 07	Basell Holdings BV; Access Industries	Lyondell Chemical Company	International
2	17,363.6	23 Jul 07	Transocean ASA	GlobalSantaFe Corporation	International
3	13,238.5	03 May 07	Rosneft	Yukos; Government of Russia	Russia & CIS
4	9,585.2	12 Jul 07	Apollo Management LP	Huntsman Corporation	International
5	7,373.2	03 May 07	Ssab Svenskt Stal AB	IPSCO Inc	North America
6	6,642.7	17 Dec 07	National Oilwell Varco	Grant Prideco Incorporated	International
7	6,278.5	31 Jul 07	Marathon Oil Corporation	Western Oil Sands Incorporated	North America
8	5,830.2	31 Oct 07	Penn West Energy Trust	Canetic Resources Trust	North America
9	5,260.0	12 Dec 07	Institutional Investors; Babcock & Brown Infrastructure; Babcock & Brown Energy Inc	Knight Inc	North America
10	5,072.8	24 Sep 07	TAQA	PrimeWest Energy Inc; PrimeWest Energy Trust	North America

Source: PricewaterhouseCoopers, *O&G Deals Annual Review 2007*, based on published transactions from John S. Herold, Inc. *M&A database*, December 2007

Asia Pacific oil and gas deals

- Total 2007 deal value in the Asia Pacific region maintained its 2006 level with a total US\$16.2bn of deal activity. The total continues to fall short of the US\$19.6bn transacted in 2005.
- Deal numbers fell 28% from 105 to 76 but this pushed average size up 38% to US\$213 million.

	Number of deals	Total deal value (US\$bn)	Average deal value (US\$m)	% share of Asia Pacific total deal value
South Korea & Japan	8	5.2	654	32%
Middle East (including Turkey)	7	3.0	434	19%
China	11	2.7	249	17%
Australia & New Zealand	19	2.1	113	13%
South East Asia (including: Cambodia, Malaysia, Papua New Guinea, Philippines, Singapore, Thailand)	25	2.2	82	13%
India and neighbouring South Asia	6	1.0	170	6%
Total	76	US\$16.2bn	US\$213m	

Source: PricewaterhouseCoopers, *O&G Deals Annual Review 2007*; John S. Herold

Global mining deals (2005 – 2007) (year on year % change in paranthesis)

	2005	2006	2007
Total number of deals	762	1026 (+35%)	1732 (+69%)
Total value of deals	US\$69.8bn	US\$133.9bn (+92%)	US\$158.9bn (+18%)
Average value (based on deals where value is reported)	US\$125.6m	US\$196.6m (+58%)	US\$137.5m (-30%)

Source: PricewaterhouseCoopers, *Mining Deals Annual Review 2007*

Deal places: All mining deals by region, 2005 – 2007

Europe	2005	2006	2007	% change
Value of deals (US\$bn)	2.1	3.8	1.5	-61.5%
Number of deals	63	71	67	-5.6%

North America	2005	2006	2007	% change
Value of deals (US\$bn)	36.2	83.2	77.1	-7.3%
Number of deals	225	310	695	124.2%

South America	2005	2006	2007	% change
Value of deals (US\$bn)	1.4	8.6	8.7	0.6%
Number of deals	53	115	174	51.3%

Russian Federation	2005	2006	2007	% change
Value of deals (US\$bn)	5.0	16.5	19.1	15.9%
Number of deals	38	87	40	-54.0%

Asia Pacific	2005	2006	2007	% change
Value of deals (US\$bn)	14.8	11.2	35.3	216.2%
Number of deals	298	368	634	72.3%

Africa	2005	2006	2007	% change
Value of deals (US\$bn)	9.5	9.8	13.5	38.1%
Number of deals	59	52	94	80.8%

Eurasia & Middle East	2005	2006	2007	% change
Value of deals (US\$bn)	0.9	0.8	3.7	376.1%
Number of deals	26	23	28	21.7%

2007 Top 10 mining deals

No.	Value of transaction (US\$m)	Date announced	Buyers	Sellers	Primary Continent
1	42,957	11 Jul 07	Rio Tinto plc	Alcan Inc	North America
2	13,272	23 Nov 07	UC Rusal	Norilsk Nickel OAO (25%)	Russian Federation
3	5,447	03 May 07	Norilsk Nickel OAO	LionOre Mining International Ltd	North America
4	3,862	03 Jul 07	Teck Cominco Ltd	Aur Resources Inc	North America
5	3,410	28 Jun 07	Yamana Gold Inc	Meridian Gold Inc	North America
6	2,888	12 Feb 07	SXR Uranium One Inc	UrAsia Energy Ltd	Asia Pacific
7	2,872	29 Oct 07	Xstrata plc	Jubilee Mines NL	Asia Pacific
8	2,716	07 Feb 07	BHP Billiton Ltd & plc	BHP Billiton Ltd & plc (4.03%)	Asia Pacific
9	2,665	05 Oct 07	Market Purchase	AngloGold Ashanti Ltd (22.028%)	Africa
10	2,366	15 Jun 07	AREVA SA	UraMin Inc (94.5%)	Africa

Source: PricewaterhouseCoopers, *Mining Deals Annual Review 2007*, based on published transactions from the Dealogic 'M&A Global' database, December 2007.

Asia Pacific mining deals

- Deals for Asia Pacific mining assets surged in 2007.
- Deal numbers were up by 72% from 368 in 2006 to 634 in 2007.
- Total deal value rose 216% from US\$11.2bn to US\$35.3bn.
- Numbers and total value were up in all segments of the mining industry with the biggest surge coming in the base metals and other resources categories.
- There was a significant increase in the number of big deals. In 2007, there were seven US\$1bn plus deals for Asia Pacific mining assets and a further eight US\$0.5bn plus deals.
- In contrast, in 2006, there had been just two deals above US\$1bn and no others above US\$0.5bn.

	2005 By value (US\$bn)	2006 By value (US\$bn)	2007 By value (US\$bn)	% share
Base metals	1.4	2.6	10.6	30%
Diversified	10.0	3.8	9.0	26%
Precious metals	1.1	1.2	3.5	10%
Other	2.2	3.6	12.2	34%
Total	US\$14.8bn	US\$11.2bn	US\$35.3bn	100%

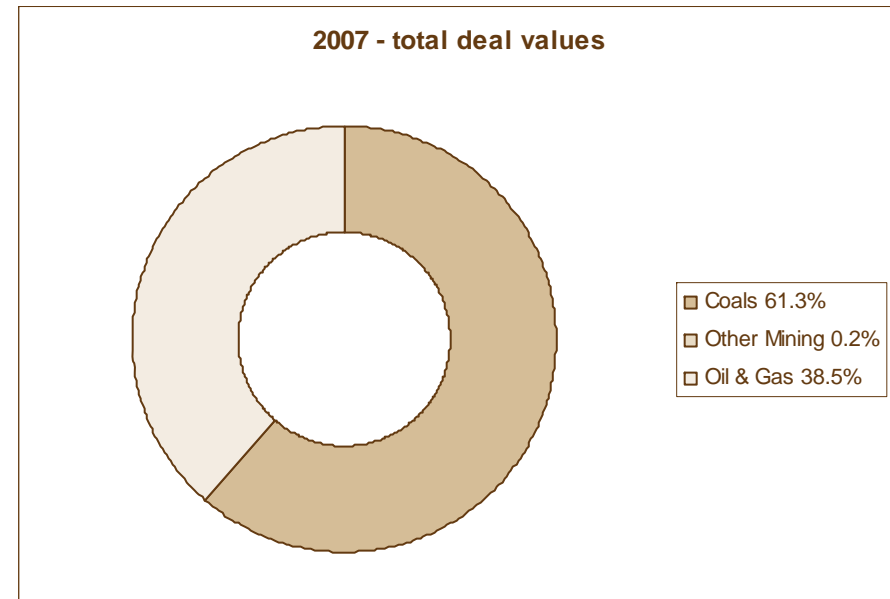
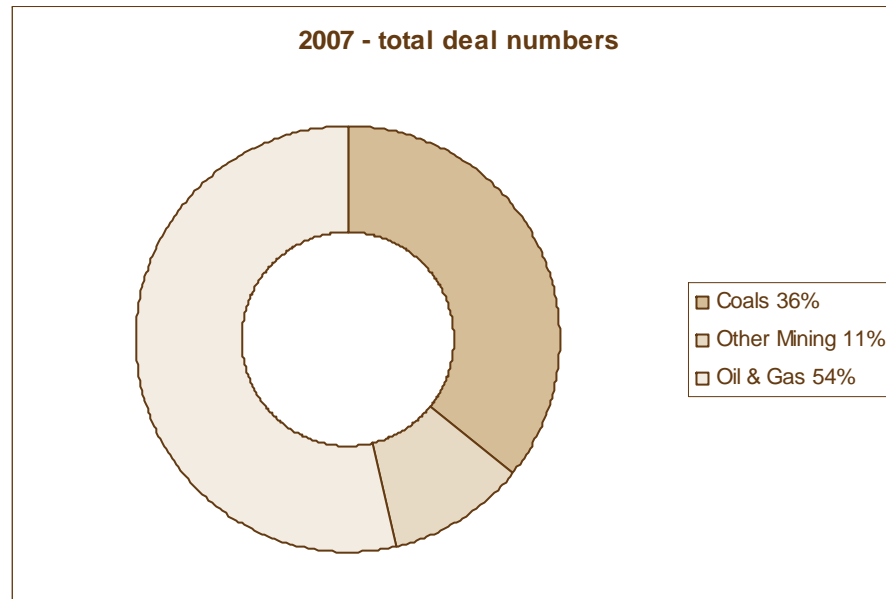
Source: PricewaterhouseCoopers, *Mining Deals Annual Review 2007*

Indonesia – Oil & gas and mining deals

	Number of Deals		% Change	Total deal value (US\$m)		% Change
	2006	2007		2006	2007	
Coal	7	10	43%	375.1	1,849.2	393%
Other Mining	2	3	50%	80.3	6.3	-92%
Oil & Gas	16	15	-6%	1,319.8	1,160.9	-12%
Total	25	28	12%	1,775.2	3,016.3	70%

Source: Bloomberg; Mergermarket

Indonesia – Oil & gas and mining deals



Indonesia - Oil and gas deals

Deal value (\$m)	Target	Acquirer
360	PT Energi Mega Pratama	Japan Petroleum Exploration Co, Mitsubishi Corp
330	Conoco Phillips (Pangkajene)	Kuwait Foreign Petroleum Exploration Comp
220	Apexindo Pratama Duta PT	Medco Energi Internasional PT
114.4	KG Berau Petroleum Ltd	Nippon Oil Corp, Overseas Petroleum Corp, MI Berau
72	Conoco Phillips (Aceh)	PT Premier Oil Sumatra
23.5	Bawaen Block	Kuwait Energy Corporation
15.5	KG Wiriagar Petroleum	Overseas Petroleum Corporation
14.5	Bayu-Udan LNG Development Project	Santos Limited
5.3	Multiple Targets	PT Retco Prima Energi
5.1	Rion Energy	Cooper Energy Limited
0.6	Solar Premium Central PT	Singapore Petroleum Co Ltd
Not Available	Simenggaris Block	Salamander Energy Plc
Not Available	Usaha Kita Makmur Bersama PT	Medco Energi Internasional PT
Not Available	East Sepanjang Block/Java	Inpex Holdings Inc
Not Available	South East Mahakam Production Sharing Contract Area	Multiple Acquirers

Source: Bloomberg; Mergermarket

Indonesia - Oil and gas deals

- Total deal value declined from US\$1.32bn in 2006 to US\$1.16bn in 2007. Deal activity declined from 16 deals to 15 deals.
- In terms of the total number of deals, oil and gas continued to have the largest share across all industries (54%), down from 64% in 2006. The share of total deal value declined significantly to 38.5% in 2007.
- The number of deals with a transaction value of more than US\$200m remained unchanged at 3 deals.
- The largest transaction value in 2007 was \$US360m, down from US\$400m in 2006.

Indonesia - Coal deals

Deal Value (US\$m)	Target Name	Acquirer Name
1,300	Kaltim Prima Coal PT; PT Arutmin Indonesia PT	Tata Power Co Ltd
350	PT Separi Energi	Straits Asia Resources Limited
139.1	PT Metalindo Bumi Raya; PT Karbon Mahakan	Straits Asia Resources Limited
34	Multiple Targets	United Tractors Tbk PT
7.2	PT Putra Bara Jaya, PT Putra Dewa Jaya	Andaman Resources
6	Lian Beng Energy Pte Ltd	Manhattan Resources Ltd
5.3	Atpk Resources Tbk PT	Dayen Environmental Ltd
3.4	Atpk Resources Tbk PT	Union Steel Holdings Ltd
2.2	Atpk Resources Tbk PT	Mincorp Plc
2	Nunukan mining asset	Kenertec Co Ltd

Source: Bloomberg; Mergermarket

Indonesia - Coal deals

- Total deal value increased 393% from US\$375.1m in 2006 to US\$1.85bn in 2007. Much of the difference was attributed to Tata Power Co Ltd's US\$1.3bn acquisition.
- The coal industry had the largest percentage share of total deal value across all industries in 2007, with the oil and gas industry the largest in 2006.
- There were 3 deals in 2007 that had a transaction value above US\$100m, compared to 1 deal in 2006.

Indonesia - Other mining deals

- Deal activity for other mining increased from 2 to 3 deals. It accounted for 11% of the total number of deals but only 0.2% of total deal value in 2007.
- Total transaction value declined from \$US80.3m in 2006 to \$US6.3m in 2007.

Deal Value (US\$m)	Target	Acquirer
5.8	Belitung Zinc/Lead Project	Investika Ltd
0.5	Koalisi International PT	Sean Co Ltd
Not Available	Takengon Property	East Asia Minerals Corporation

Source: Bloomberg; Mergermarket

Geographic region of acquirer

Region of acquirer	Number of transactions	Deal value (US\$m)
Indonesia	5	331.3
Asia Pacific	16	2,657.5
Other Countries	7	27.6
Total	28	3,016.3

Source: Bloomberg; Mergermarket

- India had the highest deal value which was attributed to the acquisition by Tata Power Co Ltd, valued at US\$1.3bn.
- Indonesia's number of deals increased by 1, to 5 deals in 2007. Most deals occurred in the oil and gas industry.
- Investment by Singapore companies increased significantly, from US\$107.9m (2 deals) in 2006 to US\$504.4m (6 deals) in 2007, with coal companies the main target.

Common deal issues in upstream deals

- PSC/TAC/JOB contracts, the key terms
- Partners & BP-Migas/Pertamina arrangements
- Gas reserves and production profile
- Pricing arrangements/contractual arrangements
- Lifting cost
- Sole risk wells
- DMO
- Status of Gas Sales Arrangements / Gas Supply Arrangements
- Take-or-Pay arrangements / ship-or-pay arrangements
- Cost recovery pool
- Environmental remediation costs
- PSC exploration commitments

Common deal issues in upstream deals (continued)

- Investment credit
- Outstanding government audit claims
- Outstanding partner audit claims (downside)
- Unapproved budget overruns and expenditures without AFEs
- Unfunded employee retirement benefits
- National participation and undivided interest
- Relinquishments (per contractual obligations)
- Bonus commitments/payments (signing, production and others)
- Environmental commitments and any required remediation
- Working capital
- Valuation issues

Common deal issues in coal deals

- Restriction on foreign investments
- Land disputes and licenses
- Related party transactions
- Stripping cost
- Financing status and cost of funds
- Capital expenditure
- Barging costs
- Royalty and dead rent liabilities
- Facilitating payments
- Claimable input VAT
- Mine plan assumptions
- Closure cost provisions
- Future economic benefit of deferred expenses
- Valuation issues

Outlook

- Prospects for mergers and acquisitions activity in Indonesia remain promising.
- Global demand for resources remain high, particularly by China and India.
- Maintenance of domestic economy conditions will support growth.
- Prospective mergers and acquisitions growth if the Indonesian Government proceeds with its plan to privatise some state-owned enterprises.
- Potential downsides include the credit crunch and the Presidential election.

Thank you