

Oil investors seek \$1B deal

BY DAN HEALING, CALGARY HERALD OCTOBER 14, 2010

A Toronto private equity company interested in investing in oilsands or conventional oil plays says it is looking for \$1-billion-plus deals, which it can afford thanks to backing by an unnamed sovereign wealth fund.

Jean-Marc Bougie, chief investment officer for Abacus Private Equity, said Wednesday the proposed deal would mostly be financed by the sovereign fund but Abacus would take a lesser equity share.

"We have an agreement with a sovereign wealth fund -- so effectively extremely deep pockets -- and the mandate we have with them is to identify \$1-billion-plus oil plays where the objective would be to either take a participation or outright purchase of the entities or assets," he said.

He said he could not identify the partner because it has asked to remain anonymous.

Bougie said the agreement gives Abacus more financial clout than it's ever had before.

"We want to let people in the oilpatch know we've partnered with a sovereign fund," he said.

"Obviously, we're already speaking with the usual suspects, but we want to make sure people understand that we are a serious player."

Alam Tambosso, president of Calgary-based Sayer Energy Advisors, said Canada's financial strength is attractive to foreign investors.

"There's a lot of international interest in Canadian oil and gas right now," he said, crediting Canada's strong banking sector as a key selling point in an unsettled international economy.

Several sovereign funds have invested in Western Canada.

PetroChina paid \$1.9 billion for a 60 per cent interest in two oilsands projects owned by Athabasca Oil Sands Corp., China Investment Corp. put \$817 million into a partnership with Penn West Energy Trust and Korea National Oil Corp. made a deal to buy Harvest Energy Trust for \$4.1 billion.

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