

BusinessSpectator

WHEELS & DEALS

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Powered by gas

Arrow and BG's play for Pure is not the only coal-seam gas deal in town, with Brisbane-based Bow Energy raising \$14 million through a \$6.1 million institutional placement and a \$7.8 million non-renounceable rights issue.

If the raisings go successfully, Bow will have approximately \$19.6 million in the kitty to certify gas reserves in its tenements throughout the Bowen, Surat and Eromanga Basins. Funds will also go towards its Cuisinier oil project development and working capital requirements.

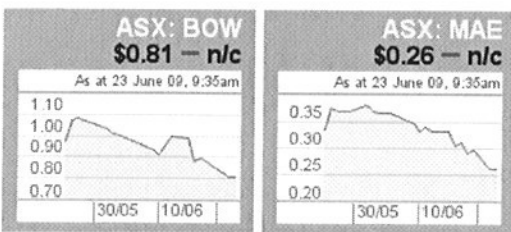
Some of the funds, of course, will go towards corporate and offer costs, of which underwriters Wilson HTM, ABN Amro Morgans, Bizzell Capital Partners and Samuel Capital will be sharing the spoils.

Bizzell Capital Partners is associated with Bow director Stephen Bizzell, a former Ernst & Young corporate finance partner and a director of Arrow Energy. Samuel Capital is associated with another Bow director, Nicholas Mather, who is the managing director of D'Aguilar Gold and was an executive director of Arrow Energy, where he was responsible for the generation of its Surat Basin coal bed methane project.

Simon Keyser from Wilson HTM and Brian Sheahan from ABN Amro Morgans, both in Brisbane, are also managing the institutional placement.

Another gas company, Marion Energy, has meanwhile announced that it has retained the US offices of Goldman Sachs to seek global buyers for the explorer, whether in whole or in part. Marion, which has its corporate offices in the Melbourne suburb of Hawthorn, but owns projects in Utah and Oklahoma, recently completed a strategic review of operations and an independent assessment of its natural gas resources. The assessment estimates the company has a gross potential resource in place of 32.5 trillion cubic feet of gas and a potential recoverable resource between 2.4 and 2.3 trillion cubic feet.

A downbeat market has nevertheless given Marion's board the view that a sale or a merger of the company is in the best interests of shareholders. "The underlying value of the company's assets is materially in excess of the current market capitalisation," Marion said.



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