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Asia oil giants eye \$3 billion stake in Kosmos Energy: sources

Hong Kong (Reuters) - Asian oil giants including India's ONGC ([ONGC.BO](#)) are among firms eyeing a potential bid for a \$3 billion stake in Africa-focused oil and gas independent Kosmos Energy, three sources familiar with the matter said.

Private equity-backed Kosmos, which has received a total of \$800 million in financing from Blackstone ([BX.N](#)) and Warburg Pincus, has hired Standard Chartered ([STAN.L](#)) and Barclays Plc ([BARC.L](#)) to sell its stakes in the Jubilee oil field offshore Ghana, London-based media reported over the weekend.

Lower oil prices are slamming smaller oil players, handicapping their ability to finance projects and making many vulnerable to takeover, analysts say.

Oil has fallen to roughly \$57 a barrel since the record highs of close to \$150 hit last July, with few convincing signs of a sustained demand recovery in sight.

Kosmos has eyed a potential stake sale for months, but management could not agree with the firm's financial sponsors on timing because of the cloudy outlook for oil price recovery amid the global financial crisis, dealmakers said.

"This is a world class asset," said a Hong Kong-based investment banker with direct knowledge of the situation.

"There's been some disagreement about how to monetize it," the source added. All three bankers declined to be named to protect client sensitivities.

Kosmos' stake is also expected to draw bids from global energy players BP ([BP.L](#)), Shell Oil ([RDSa.L](#)), Chevron Corp ([CVX.N](#)), Exxon Mobil ([XOM.N](#)) and Italy's ENI SpA ([ENI.MI](#)).

China's CNOOC ([0883.HK](#)) ([CEO.N](#)) is also eyeing a bid for the stake, a source familiar with the matter told Reuters.

CNOOC declined to comment when contacted by Reuters.

AFRICAN OIL

Jubilee, one of the largest oil finds in West Africa in the past decade, is predicted to hold 1.2 billion barrels of oil equivalent. The entire field is valued at around \$15 billion.

Texas-based Kosmos has interests across Ghana, Benin, Cameroon, Morocco and Nigeria, including the Jubilee Field in Ghana's deep waters.

Other Africa-focused oil and gas independents are also drawing strong interest from Asian buyers.

Addax Petroleum ([AXC.TO](#)) ([AXC.L](#)) has attracted buyout interest from CNOOC, ONGC and Japan's Mitsubishi ([8058.T](#)), three sources with direct knowledge of the matter told Reuters in February.

London-listed Tullow Oil ([TLW.L](#)), a partner to Kosmos in Ghana, is also attracting Chinese

buyout interest, bankers have told Reuters.

"We can neither confirm nor deny," said a New Delhi-based spokesman for ONGC. "We do not want to comment on this at this point of time."

(Additional reporting by George Chen in HONG KONG and Devidutta Tripathy in NEW DELHI)

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