

ConocoPhillips sells oil and gas assets to Cenovus for \$13.3b

REUTERS, Calgary, Alberta

ConocoPhillips on Wednesday agreed to sell oil sands and western Canadian natural gas assets to Cenovus Energy Inc for C\$17.7 billion (\$13.3 billion), making it the latest international oil major to pull back from a region where high costs and low crude prices have made it hard for large companies to make an acceptable return.

For Calgary-based Cenovus, among Canada's largest producers, the deal doubles its production to 588,000 barrels of oil equivalent per day as it takes full ownership of its main oil sands assets in northern Alberta.

ConocoPhillips will sell its 50 percent interest in the Foster Creek Christina Lake oil sands partnership, which Cenovus already operates, as well as the majority of its western Canada Deep Basin conventional gas assets.

The U.S. oil major will retain its 50 percent interest in the Surmont oil sands project, a joint venture with Total E&P Canada, and its liquids-rich Blueberry-Montney shale assets.

The divestment, the largest in ConocoPhillips's history, was unex-

pected on Wall Street but comes as the company has come under pressure to cut its debt. Its shares jumped 6 percent in after-hours trading.

Shares of Cenovus listed on the New York Stock Exchange tumbled more than 8 percent after hours.

The deal, the fifth-biggest in the Canadian energy sector according to Thomson Reuters data, comes weeks after Royal Dutch Shell and Marathon Oil Corp sold off billions of dollars in oil sands assets and adds to uncertainty over future development in the patch.

Canada's oil sands hold the world's third-largest crude reserves but also carry some of the highest operating costs globally, and are struggling to compete with cheaper U.S. shale plays in a \$50-a-barrel oil price environment.

"Now that you have a prolonged period of low crude prices, the companies are really looking hard on where is the place to invest," Carlos Murillo, economist at the Conference Board of Canada. "Canadian companies... they're kind of getting bigger in what they know... whereas other companies are seeing opportunities elsewhere."

ConocoPhillips Chief Executive Ryan Lance said his company will use the cash portion of the deal to pay down debt and increase share repurchases.

The company last fall told analysts it would hive off \$5 billion to \$8 billion in assets this year. The Canadian divestment comes on top of that plan, boosting the planned asset sales for the year to more than \$16 billion.

Calgary-based Cenovus will pay C\$14.1 billion in cash and 208 million Cenovus common shares. It launched a bought-deal financing agreement to sell 187.5 million shares at C\$16 each for expected gross proceeds of more than C\$3 billion.

CEO Brian Ferguson said the company intends to divest a significant portion of legacy conventional assets to help fund the transaction.

"In a low oil-price environment, economies of scale are important. This deal about doubles the scale of the company, and this will give us a greater competitive edge," Ferguson said on a public conference call.

JPMorgan and Royal Bank of Canada advised Cenovus, the Canadian company said.



Aziz Al Mahmood, chairman of IDLC Finance Ltd, presides over the company's 32nd annual general meeting at Radisson Blu Dhaka Water Garden yesterday. The company approved 30 percent cash dividends for 2016. Arif Khan, managing director, was also present.

China pledges greater yuan flexibility as capital outflows ease

REUTERS

China's foreign exchange regulator said on Thursday that pressure from capital outflows eased somewhat in 2016 and there will be greater flexibility in the yuan's exchange rate in 2017.

Authorities have taken a raft of steps in recent months to curb capital flight to support the yuan, while trying to bring in more foreign investment.

"With the steady progress of

reforms of renminbi (yuan) exchange rate mechanism, the flexibility of renminbi exchange rate will be further enhanced," the State Administration of Foreign Exchange (SAFE) said in a statement.

The pressure on China's cross-border capital outflows abated somewhat in 2016, it said.

The statement did not give any specifics. Increased yuan flexibility will help promote two-way cross-border

capital flows, the regulator said.

China's current account surplus is likely to be kept "within a reasonable range" this year, as the global economy stabilizes despite risks from trade frictions, it said.

Authorities will take measures to attract capital inflows this year, it added. In 2016, the yuan weakened 6.5 percent against the dollar. The Chinese currency has gained nearly 1 percent so far this year.



M Ghaziul Haque, chairman of Eastern Bank, opens the 83rd branch of the bank on Gulshan Avenue in Dhaka yesterday. Ali Reza Iftekhar, managing director, was also present.



Md Fazle Rabbi Miah, deputy speaker of Bangladesh parliament, opens the 11th agent banking centre of Mutual Trust Bank at Udayan Swabolombee Sangstha at Gaibandha. Tarek Reaz Khan, head of retail and SME banking at the bank, was also present.

Eco-friendly brick kilns growing in numbers

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In September 2012, the Bangladesh Bank introduced a refinance loan scheme worth \$50 million to encourage environment-friendly and automatic brick kilns in the country. The Asian Development Bank provided the fund.

State-run Infrastructure Development Company Ltd (Idcol) also started providing low-cost financing for the establishment of environment-friendly automatic tunnel kilns. Idcol has so far approved a total of Tk 147 crore loans for six auto brick manufacturing projects, and three of the kilns are expected to come into operation this year, said a senior official of the state-run financier.

The modern kilns are capable of producing higher number of bricks than the conventional kilns, according to Dulal.

Although modern kilns require higher investment, these are profitable in the long run, said Dulal, who also set up a tunnel

kiln that is expected to come into operation in July-August this year.

Tunnel kilns or HHKs can produce more bricks compared to the traditional kilns. Such kilns also save land and reduce environmental pollution, he said.

However, the number of modern brick kilns has not increased in line with the expectation, said Md Adu Bakar, secretary general of the Bangladesh Brick Manufacturing Owners Association.

"The establishment of such kilns requires large investment and banks are unwilling to lend to the traditional small brick kiln owners. Some large investors are coming to set up these kilns," he added.

DoE Director Haque said it is necessary to declare the brick-making sector an industry to increase the number of modern brick kilns. "We are also considering an alternative brick production system, which does not allow the use of topsoil."

Safety campaign launched for apparel workers

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"Efforts to improve workplace safety remain the highest priority for the Bangladesh government. This campaign will reach out to garment workers to help them better understand safety areas," said Mikail Shipar, secretary to the labour and employment ministry, at the launch.

"I also firmly encourage owners and managers to listen as they too have an equal responsibility regarding safety and health."

Srinivas Reddy, ILO country director for Bangladesh, said, "This safety campaign is certain to benefit a large number of RMG workers. It is vital however that the efforts to build a culture of safety in Bangladesh begin to go beyond the all-important RMG sector."

A series of 19 radio episodes will be broadcast on Dhaka FM 90.4 on Thursday and Friday evenings at 10pm, starting tonight. Each 30-minute episode will focus on a specific OSH issue under a drama format and will include songs and discussions. The first show will cover 'what to do in an emergency' while others will include electrical safety, earthquakes, good housekeeping and hygiene.

A series of safety-related radio commercials will also be broadcast throughout the day over a period of two months. It will focus on five key areas -- the role of DIFE; what to do in case of a fire; maternity protection; safety is everybody's responsibility and the role of safety committees, which comprise representatives of management and the workers. A popular song 'we want safety' has been produced to highlight key safety messages.

A weekly contest linked to the radio programme will also give listeners the chance to win Tk 1,000 prizes, as well as a grand prize of Tk 50,000 at the end of the campaign.

Dhaka bourse moves to revamp OTC market

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Before the OTC came into being, prices of many shares had increased abnormally even if there were no declarations of price sensitive information such as dividends, net income or earnings-per share.

The DSE management even could not locate the physical presence of some companies. But the trading of their stocks had been going on as many retail investors were unaware of the companies' latest status. Investors were buying these stocks only to make money from daily trading. Listing on the OTC market means either these companies are non-performing, non-operational or non-existent.

Presently, 66 companies are listed on the OTC market. More than 4.6 lakh shares of six firms were traded on the market between March 1 and March 15, generating Tk 4.72

crore, according to DSE data. Shares of 12 companies were never traded on the market.

THE UNTRACEABLE 11
There is no existence of 11 companies that were listed on the Dhaka bourse between 1986 and 2001. After the placement of these companies from the main market to the OTC market in 2009, the DSE tried to trace them in their addresses mentioned in their prospectuses at the time of the listing. But the efforts went in vain.

The companies are: Amam Sea Food, Bangladesh Electricity Meter, Chic Tex, German Bangla JV Foder, M Hossain Garments, Metalex Corporation, Pharmaco International, Rangamati Food Products, Raspit Data Management, Raspit Inc Bd and Saleh Carpet Mills. These companies had issued 4.87 crore shares.

State banks saw rapid credit growth in 2016

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Agrani Bank's disbursement grew 8.31 percent last year against the 10 percent ceiling. The total adjusted loans stood at Tk 21,600 crore, up from Tk 20,000 crore a year ago. In 2015, Agrani's credit growth was 9.63 percent against the target of 10 percent.

Rupali Bank also exceeded the agreement target of 17.50 percent, registering 18.81 percent credit growth last year. The total adjusted loan was Tk 11,500 crore compared to Tk 9,676 crore in 2015. The bank's loans grew by 11.92 percent in 2015 against the set target of 12 percent, according to BB data.

Apex court clears way for FBCCI polls

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Following a writ petition filed by MCCI President Aminul Haque Shamim, the HC on March 22 stayed for two months the process of holding the FBCCI election. It also issued a rule asking the authorities to explain

why they should not be ordered to include a director nominated by MCCI in its list.

Attorney General Mahbubey Alam argued for FBCCI, while Barrister Rokanuddin Mahmud and Barrister Bodruddoza Badal appeared for the MCCI president.

Tourism fair kicks off in city

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On the sidelines of the fair, a roundtable on 'emergence of halal tourism' will be held tomorrow. Experts from Malaysia, Thailand and Bangladesh will take part in the discussion, said the organiser. The fair is open to visitors from 10am to 8pm with an entry fee of Tk 30.



Shah Syed Abdul Bari, deputy managing director of National Bank, attends the closing ceremony of a foundation course for the first executive officers and junior officers of the bank, at its training institute.



The participants of the 21st annual general meeting of Dutch-Bangla Bank are seen at Sena Malancha in Dhaka yesterday. The bank declared 30 percent cash dividends for 2016. Sayem Ahmed, chairman of Dutch-Bangla Bank, presided over the meeting.