

Occidental makes £44bn Anadarko bid, seeking to break up Chevron deal



Occidental Petroleum Corp. triggered a bidding war for Anadarko Petroleum Corp. after making a \$57 billion (£44bn) counter-offer in attempt to break up a proposed takeover by Chevron Corp.

Occidental said Wednesday it's offering \$76 per share in cash and stock. That compares with Chevron's April 12 agreement to buy The Woodlands, Texas-based Anadarko for \$65 a share in stock and cash.

Key Highlights

Anadarko's assets include operations in the Permian Basin in West Texas and New Mexico. The world's fast-growing oil major patch, the Permian has helped to turn the U.S. into a net exporter and become a bigger producer than Saudi Arabia.

Chevron earlier this year unveiled ambitious growth plans for the Permian. The Occidental offer may not be as appealing as Chevron's to Anadarko shareholders despite the higher price. Occidental's smaller size and balance sheet compared with Chevron mean there may be more uncertainty over its prospects of completing a deal. Also, it's not immediately obvious how Occidental would fund Anadarko's giant liquefied natural gas plant that's being developed in Mozambique. The project may have to be sold, adding another layer of uncertainty.

Market Reaction

Anadarko shares rose 15 percent in pre-market New York trading.