

22 August 2018

Agreement to sell 13.2 per cent interest in Quadrant Energy

Wesfarmers today announced it has agreed to sell its 13.2 per cent indirect interest in Quadrant Energy Holdings Pty Ltd (Quadrant) to Santos Limited for net proceeds of approximately US\$170 million. In addition, the transaction provides Wesfarmers with a contingent value right in relation to the recent Dorado-1 oil discovery that was announced to the ASX on July 18, 2018 by Quadrant's joint venture partner, Carnarvon Petroleum, and a royalty over Quadrant's tenements in Western Australia's Bedout Basin.

On successful completion of the transaction, Wesfarmers expects to report a pre-tax profit on sale of approximately US\$98 million.

Quadrant is currently held directly or indirectly by Brookfield Asset Management (36.2%), Macquarie Capital (21.8%), Wesfarmers (13.2%), AMB Holdings (13.2%), Canadian institutional investor CDPQ (12.1%), and Quadrant management (3.4%). The transaction is subject to approval by the ACCC, and is expected to complete in the second or third quarter of financial year 2019.

Quadrant is one of Australia's leading oil and gas companies, with a portfolio of producing assets and prospective exploration targets. Wesfarmers acquired its interest in Quadrant in 2015 for US\$100 million.

Wesfarmers Managing Director Rob Scott said Wesfarmers' interest in Quadrant had generated good returns for Wesfarmers shareholders. "Our investment in Quadrant has demonstrated the benefits of Wesfarmers' disciplined approach to portfolio management through flexible ownership structures," Mr Scott said.

For further information:

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