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Venoco is set to go private

THE founder and chief executive of California-based Venoco has announced his plans to take the company private in a deal worth about \$100 million.

The company will pay \$100 million to acquire all outstanding shares of Venoco.

The deal, which represents a significant return on the company's founding price as it was founded in 1982, will be carried out by Marquis Energy Services, a private equity firm.

Marquis already held 10% of the company through its subsidiary, Marquis Energy Services.

The deal has been approved by the company's board and it has been reviewed by its independent directors, which eventually recommended approval.

"After a comprehensive financial search of the market for strategic alternatives, we concluded that this transaction would maximize value for our public shareholders," says chairman Rick Walker.

Walker says that Venoco is a well-positioned company that will be successful in the private market.

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Asset sales for Denbury

US LULU Denbury Resources has agreed a \$100 million deal to sell a portfolio of non-core properties in southern Louisiana and Mississippi to private buyer Permian Resources.

The asset package has proved interest from a number of potential buyers, says a Denbury spokesman.

The deal is expected to close in the next few months.

Pembina in acquisition

Canadian Pembina Pipeline will acquire Frontier Energy for \$1.5 billion in cash, says the company.

The acquisition will create a major natural gas pipeline company in the US, says the company.

The deal is expected to close in the next few months.

US ONSHORE



Programme: a natural gas well site in the Marcellus shale play in Pennsylvania

Photo: AP/Chris Wedel

Low gas prices hit plans for drilling in US

Players expected to reduce spending as natural gas futures reach two-year low with mild weather in US leaving volumes in storage

INDUSTRY
Houston

US PLAYERS are cutting their drilling plans in the Marcellus shale play in Pennsylvania as natural gas prices hit a two-year low.

Natural gas prices fell to a two-year low in early January, hitting \$3.50 per million Btu, down from \$5.00 just a few months ago.

The price drop has led to a sharp decline in drilling activity in the Marcellus shale play, which is the largest source of natural gas in the US.

Drillers are expected to reduce spending on drilling operations, which could lead to a slowdown in natural gas production.

The price drop has also led to a decline in investment in new drilling rigs, which could further slow production growth.

Despite the price drop, some drillers are still planning to drill new wells, but they are expected to be more cautious than in the past.

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