

The Australian

Business as usual at Cubbie: Western Gulf Advisory

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BAHRAIN-BASED Western Gulf Advisory's bid for the giant Cubbie Station cotton farm in Queensland would see founders the Stevenson family return as minority shareholders in a recapitalised business.

The two final bidders -- Western Gulf and Eastern Agriculture Australia -- have been jostling for position before a creditors' meeting on Tuesday.

A successful bid by Western Gulf would result in former Queensland treasurer and Cubbie Group chairman Keith De Lacy reinstated to chair the state's biggest cotton farm.

A spokesman for Western Gulf said last week it was close to striking a deal to buy the 93,000ha southern Queensland property, which was placed in administration in October last year after its banks called in up to \$320 million in loans.

However, a spokeswoman for administrator McGrathNicol said two offers would be put to the creditors' meeting.

The second bidder, Eastern Agriculture Australia, operates nearby properties in the Dirranbandi area and has overseas backing.

Mr De Lacy said the bids had yet to go to the creditors' meeting.

"The administrators are still calling the shots," he said. Mr De Lacy said that, if successful, Western Gulf would pay down the debt, provide working capital and own 53 per cent of the Cubbie business. Previous shareholders including the Stevenson family would own the balance of the company.

"No one would know the difference (in the way Cubbie was run). It would be a wonderful outcome," he said.

"The dams are full, the price of cotton is higher and now there is a debt provider." According to Cubbie Group's website, the business was established by Lockyer Valley farmer Don Brimblecombe and Des Stevenson, who bought Cubbie Station in 1983 and converted it from grazing land.

Western Gulf's spokesman said Cubbie would be its second Australian investment after it lent \$220m to Landmark Business Developments International in January to build an industrial hub at Gawler, north of Adelaide.

A successful bid by Western Gulf, founded by Ahsan Ali Syed, would be subject to Foreign Investment Review Board approval, he said.

The last request for expressions of interest in Cubbie was held in March with no satisfactory bids entered.

This month, marketing agent Jones Lang LaSalle managing director Stephen Conry said the company was still in discussions with the short-listed parties.

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