

Bahrain bidder says funds locked in for Cubbie

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WESTERN Gulf Advisory, the Bahrain-based company bidding for Australia's largest cotton farm, Cubbie Station, claims it had the funds two months ago to bail out the collapsed grower.

"The ball is not in our court anymore. What is holding it up at the moment is the procedural process, i.e. approval from FIRB (the Foreign Investment Review Board), as well as ongoing negotiations with Cubbie's current lenders," said WGA's Indian-born founder and 90 per cent shareholder, Ahsan Ali Syed.

"Once we have received approval and agreed with the lenders, we are able to finalise the deal very fast."

But after 10 months and several sales campaigns, neither of the two competing bidders — WGA



Ahsan Ali Syed

and Eastern Agriculture Australia — has put money on the table to recapitalise Cubbie Station.

Sources said administrator McGrathNicol had expected to put offers to Cubbie's creditors last month.

John Cronin, from McGrath-Nicol, said: "We are continuing to negotiate with a number of interested parties."

Cubbie, which has dams holding more water than Sydney Harbour, collapsed into voluntary administration in October last

year, with debt estimated at \$320 million.

WGA has offered to lend hundreds of millions of dollars in Australia, but is itself 91 per cent geared, according to the company's 2009 annual report.

Mr Ali said he would back a recapitalisation of the controversial cotton grower, with Keith De Lacy, a former Queensland treasurer and Cubbie's previous chairman, back at its head.

"Right now I can promise up to \$1 billion, \$1.5bn over the next three years," Mr Ali said.

It would be the first stage of his 10-year \$US5bn (\$5.65bn) investment plan in Australia, he said.

EAA already owns significant agricultural interests in Australia, including the cotton farm Kia Ora, which neighbours Cubbie at St George in southwest Queensland. But WGA, which has portrayed itself as the frontrunner, is less well known. In January, WGA

placed advertisements in the two national newspapers, including *The Australian*, claiming it had \$US1bn earmarked for investment in Australia and Vanuatu.

Mr Ali told *The Australian* that WGA had total assets of between \$US8bn and \$US9bn, was based in Bahrain and Zurich, and had investments "in Malaysia, in Hong Kong, in India, Europe, especially in London, a few in Paris and in Italy".

"Private lending is a 150-year-old business with my family," he said. "I just took it globally and started managing my own wealth."

WGA's 2009 annual report shows debt of \$1.089bn and total capital \$102.67m, a gearing ratio of 91.38 per cent. An unsecured loan bearing no interest of \$1.089bn was made by Mr Ali to the company, the report shows.

It claims WGA is one of the

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