BREAKFAST DEALS: Arrow rethink?

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Arrow Energy, Royal Dutch Shell, PetroChina

As market criticism over the government's resources super profits tax mounts, and speculation that a like-minded tax might be applied to the banking sector grows, questions have been asked about the $3.5 billion takeover of Arrow Energy. With contracts allowing Royal Dutch Shell and PetroChina to back out should Arrow's value or prospects be damaged by $100 million or more, sources have told the Sydney Morning Herald that the parties are looking at how Sunday's announcement plays into its offer, and an announcement could be made in the next couple of weeks – lending weight to thoughts a revised offer could be on the cards. A Shell spokesman declined to tell Dow Jones whether an altered offer might emerge, adding that there's been no change thus far and the company is looking across all of its Australian investments in regards to the tax. Meanwhile, with the 40 per cent tax named by various parties as putting investments, deals and dividends at risk, the market is still trying to separate prescient warnings from scare-mongering. And the battle for hearts and minds has taken on an international flavour: the idea that other resource-rich countries will follow suit was given weight by an editorial in the influential China Daily, which calls for policymakers to take a close look at the Australian example and advocates a resources tax within China to "conserve resources and protect the environment."

Resourcehouse, Perseus Mining, Eclipse Uranium

Meanwhile, that vocal critic of the resources super profits tax, Clive Palmer, has reportedly altered his investment team, prompting speculation that a Hong Kong listing of his Resourcehouse business might finally get going. The Queensland billionaire is said by The Australian to have hired Credit Suisse, JP Morgan and Bank of China International for the much-anticipated float. UBS and Citi are said still on board, while there are some doubts about Macquarie's position. Elsewhere, and West Africa-focused gold explorer Perseus Mining is looking to tap local markets, having raised $C91 million in a Canadian capital raising, while Dourado Resources and Cauldron Energy will each end up with between one-fifth and one-third of Eclipse Uranium, the spin-off which will house the pair's Northern Territory uranium assets in the Northern Territory. In takeovers, and Macarthur Coal has again extended the deadline for its $1 billion tie-up with suitor Gloucester Coal (its share price remains under pressure as Peabody Energy mulls the impact of the tax), while Lihir Gold has reiterated that relevant parties will continue to have access to its books until June, despite the company having signed a $9.5 billion merger deal with Newcrest Mining this week.

Coal India

Overseas, and the long-awaited float of Coal India – the nation's largest ever – has reportedly attracted the interest of Deutsche Bank, Morgan Stanley, HSBC Holdings, JPMorgan Chase & Co, Goldman Sachs Group and Citigroup, among others. The state-owned producer is one of dozens of companies to be sold by the government to help pay down debt, and is tipped to raise about $3.2 billion ($130 billion rupees) in the coming months. Up to six book-running lead manager roles are up for grabs, with the Indian government whetting appetites by agreeing to pay better rates for the sale. Meanwhile, iron ore miner China Tian Yuan Mining is said by Finance Asia to be eyeing a $US457 million Hong Kong IPO.

ANZ Banking Group

With sources confirming to Reuters that ANZ Banking Group has hired

Goldman Sachs JBWere and JP Morgan for a stab at Korea Exchange Bank, there'll be plenty of Australian interested in the process. According to the news wire, rival HSBC is disinclined to put up its hand, while South Korea's KB Financial is thought to be more interested in striking an agreement with Woori Finance Holdings, and Hana Financial Group might find funding an issue. The 51 per cent stake to be sold by Lone Star of the US is believed worth more than $4 billion. ANZ chief Mike Smith said last week the lender would be remiss not to take a look, and has named South Korea as a key partner for Australia.

Wrapping up

The market is today awaiting the release of a KPMG and McKinsey report on the national broadband network, amid speculation the $43 billion price tag given to the project last year might prove over the top. Across to media, and News Corp chief Rupert Murdoch has raised questions about what the media giant will do next with its $US8 billion war chest, with "opportunistic investments" one option on the table, although an announcement is not expected for some months. And finally, The Australian Financial Review reports that the troubled Sigma Pharmaceuticals might need to launch a $200 million capital raising to stave off another breach of its debt covenants.