Norwegian exchange courts Calgary; CEO says listing can open door to Europe
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The head of Norway's stock exchange, Bente Landsnes, is betting Oslo and Calgary have a lot more in common than it seems, as she tries to attract companies to her bourse.

Although the Alberta city is landlocked and the Norwegian capital a fjord-lover's haven, both are hubs of the oil and gas industry, with access to savvy investors, Landsnes said Thursday.

Where the attractive difference lies is that listing on the Oslo Stock Exchange opens doors to myriad European capital, she told the Herald.

"What we are offering is a window into a completely different investment base," Landsnes said.

"We know we can offer companies from international markets an additional listing and venue where they can be visible to European and U.S. investors."

Landsnes was in town for a two-day tour before flying back to Oslo to keep her thumb on the erratic pulse of the exchange, which gained four per cent Thursday after dropping six per cent Monday in sympathy with global market volatility.

Norway, the world's fourth-largest oil exporter, privatized its 181-year-old stock exchange in 2000 and now lists 241 companies.

The exchange trades in equities, derivatives and bonds, with about 30 per cent of its stocks related to oil and gas. Shipping and fisheries make up the bulk of the remainder.

Four oil and gas companies and two mining companies based in Canada already are listed on the Oslo exchange, joining the bourse in 2005, a year before Landsnes was recruited to be president and chief executive.

The requirements for listing on the Oslo exchange are similar to listing on the Toronto Stock Exchange in that companies must have a market cap of at least $55 million, show sufficient liquidity for at least a year, and have reserve reports. Investor protection through disclosure requirements and surveillance is the same for both, and reporting can be done in English.

Landsnes downplayed the limited size of the Oslo market, touting competitive lawyer and adviser fees with larger centres such as London.

She also shrugged off a ruling that 40 per cent of listed Norwegian corporate boards must be represented by women.

"I've been working for a number of years in the finance business -- I came from a bank when I started working at the exchange -- and I have never experienced personally discrimination as a woman. Maybe I'm too dense to have noticed," she said, smiling.

The problem facing some corporations is finding enough competent, experienced women shareholders to fill in the quota, of which Landsnes is not in favour.

"My personal opinion is that for a board of directors it must be the company needs that are the priority," she said.

Also in town to court Calgary companies was Mark Gretton, head of an Oslo-based brokerage's bond desk.

Representing Norway's ABG Sundal Collier, he said the global appetite for convertible debentures from Canadian oil producers and miners will probably rise this year because of tightening credit standards and volatile stock markets.

ABG arranged about $450 million last year in convertible debentures for Canadian companies and may place as much as $1 billion in 2008, Gretton said. High prices for oil and other commodities make convertible debentures attractive to investors and provide cheaper financing costs than debt, he said.

"There's a significant appetite for good quality paper" that's convertible into shares, Gretton, 42, told Bloomberg on Wednesday. "If you are an investor and you wish to make a forward bet on anything, right now you would probably like to buy volatility in the oil sector."

Calgary-based Petrobank Energy and Resources Ltd., the best performing energy stock in Canada last year, used publicly traded ABG to place privately $250 million in convertible notes last May.

Companies with long-lived oilsands projects in Canada such as Petrobank are appealing to fund managers and other investors, Gretton said.

Petrobank's stock more than tripled last year, and the notes are convertible in 2012 at a price of $28.49 while the shares traded Thursday in Toronto at the equivalent of $44.32.

Petrobank got a 40 per cent premium for the convertible notes while agreeing to annual interest payments of three per cent, chief financial officer Corey Ruttan said.

"This can be a very attractive instrument, and with a very low coupon it becomes pretty compelling," he said. "Certainly, we would look at it again in the future."

Petrobank also used ABG Sundal to raise $100 million in convertible notes last month for Petrominerales Ltd. Petrobank owns a 77 per cent stake in the Colombian oil producer.

The Petrominerales deal was oversubscribed even as credit markets were roiled by U.S. subprime problems, Ruttan said. "The appetite for these things is pretty vast," he said.

Illustration:
• Colour Photo: Grant Black, Calgary Herald / Oslo Stock Exchange president and CEO Bente Landsnes explains to a Calgary business audience Thursday the advantages of listing companies in Norway.