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AGL offer stacks up Sydney Gas says shareholders are unlikely to achieve a better return on their investment than the $171million AGL Energy takeover offer, given the company's future capital requirements. The coal seam gas explorer said in its target statement yesterday that without the support of major shareholders, the company would unlikely obtain commercial underwriting of any capital-raising in the current economic climate. Sydney Gas said proceeding with a rights issue without a commercial underwriting of the $60million required over the next three years would require the support of major shareholders and would likely lead to a change of control without a premium bid.

The company has recommended the all-cash bid of 42.5c a share from AGL Energy.

Brokers lower QBE Australia's biggest insurer, QBE Insurance Group, has had its earnings estimates for calendar 2008 and beyond lowered by two different brokers. QBE's full-year 2008 results are due on February 27.

Merrill Lynch analyst Andrew Kearnan lowered his calendar 2008 adjusted earnings per share estimate by 13 per cent to $1.66 and calendar 2009 earnings adjusted EPS estimate by 4 per cent to $2.15. Mr Kearnan said the earnings changes reflected mark to market adjustments by QBE.

He now expects QBE to report a gross written premium of $13.01billion in calendar 2008 instead of the $13.33billion he had previously forecast.

Shares in QBE closed down 89c, or 3.53 per cent, at $24.35. Locomotive contract Engineering company United Group has won a $78million order for 12 new locomotives for national transport and logistics firm QR. UGL Rail will deliver 12 diesel-electric locomotives from its Broadmeadow plant in NSW to QR Intermodal (containerised business) between July and December this year.

The contract includes an option for QR (formerly Queensland Rail) to purchase six more locomotives.

United shares closed 11c down at $8.46. Four-fold ore increase Shares in **Crusader Resources** lifted after the junior mineral explorer announced a four-fold increase in the size of the iron ore resource at its Posse project in Brazil.

The Perth- based company's shares were up 0.5c, or 5 per cent, at 10.5c after hitting an intraday high of 12c. Crusader said the resource now totalled 36.02million tonnes at an average grade of 43.5 per cent.

This compares with the previous estimate in May last year of 7.7million tonnes at a median grade of 45 per cent.

Upkeep continues Maintenance services provider Transfield Services said yesterday its North American subsidiary, TIMEC Holdings, had renewed maintenance agreements worth $US65million ($A96.13million) with Dow Chemical Co and ConocoPhillips. TIMEC will continue to provide services to Dow's petrochemical facility in Pittsburgh for another two years and to ConocoPhillips' refineries at Wilmington, Carson, Santa Maria, Rodeo and Ferndale for another year. Transfield also said it had won a 13-month extension of its contracts at Caltex's Kurnell refinery in Sydney and the Lytton refinery in Brisbane, and further work at Kurnell providing planning and execution services.

Shares were 10.5c higher at $2.10.

Second shipment sails Atlas Iron's second commercial shipment of iron ore sailed for a large Chinese steel mill yesterday. The company said the customer was a large Chinese steel mill but declined to reveal its name.

The 64,300-tonne shipment came from the Connie deposit at Atlas's Pardoo mine near Port Hedland, Western Australia. Managing director David Flanagan said, "This is another important milestone for Atlas in its evolution from explorer to iron ore producer.'

' Atlas shipped its first commercial cargo of the bulk commodity last month, six weeks after starting mining at Pardoo.

The first shipment, of 65,000 tonnes, was also from the Connie deposit. It was sold to a medium-sized Chinese steel mill.