

Unitech Energy drops plan to buy Cancen Group

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TORONTO (Reuters) - Canadian oil and gas explorer Unitech Energy Resource Inc (URX.V) said on Tuesday it had dropped its plan to buy Cancen Group as the two companies could not come to terms, sending its shares down 25 percent.

Unitech said in a statement the due diligence it had performed on Cancen did not support the C\$50 million (\$49.5 million) it had offered to pay for the privately held Alberta company, which treats and reprocesses oil waste and polluted water.

Unitech Energy, whose key oil and gas properties are in northeast British Columbia, had signed a letter of intent on May 4 to buy Cancen Group's assets, including an oil cleaning and treatment site in Edmonton, Alberta.

Unitech and Cancen jointly own an oil waste and water-treatment facility in Fort Nelson, British Columbia.

Unitech shares were 2.5 Canadian cents lower at 3.5 Canadian cents on Tuesday afternoon on the Canadian Venture Exchange.

(\$1=\$1.01 Canadian)

(Reporting by Bhaswati Mukhopadhyay in Toronto; Editing by Peter Galloway)

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