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## Sona Petroleum targets earnings in 3 years after IPO

by TANU PANDEY

SONA Petroleum Bhd, a special purpose acquisition company (SPAC) for the oil and gas (O&G) sector, is hoping to generate revenues within three years from its listing on the local exchange.

Eyeing to raise almost RM550 million with its initial public offer (IPO) in the second-half of the year, the company may become the biggest SPAC to be listed so far in Malaysia. The earlier two SPACs in Malaysia — Hibiscus Petroleum Bhd and Clig Energy Bhd — raised less than RM500 million.

"Given the regulations, in three years we should have revenue coming in. This is within the timeline," Sona's MD Datuk Seri Hadian Hashim told reporters in Kuala Lumpur after signing an underwriting agreement for the public offer.

CIMB Investment Bank Bhd and RHB Investment Bank Bhd have been appointed the joint principal advisors, joint placement agents, joint managing underwriters and joint under-



(From left) Kenanga Investment Bank Bhd group MD Chay Wai Leong, RHB Investment Bank Bhd officer-in-charge Mike Chan, Hadian, CIMB Investment Bank Bhd CEO Datuk Charon Wardini Mokhzani and MIDF Amanah Investment Bank Bhd head corporate investment banking Jeyaratnam Tamotharam at the underwriting agreement signing ceremony in Kuala Lumpur yesterday

writers for the offer. Kenanga Investment Bank Bhd and MIDF Amanah Investment Bank Bhd are the joint underwriters for the company's IPO exercise.

The company's management wishes to hold about

20% of the enlarged capital of Sona Petroleum.

The company is given three years after listing to explore the acquisition of O&G exploration and production companies or assets — the qualifying assets (QA).

"We are currently eyeing specific regions like the Middle East, Africa and South-East Asia for investments," Hadian said.

The company is looking at a yearly expenditure of up to RM4 million, he said.

The IPO involves a public issue of up to 1.1 billion new shares of one sen each. Shareholders will be given free detachable warrants of up to 1.1 billion on the basis of one warrant for every one share, with the conversion price expected at 35 sen each within five years.

On the outlook for the O&G sector, Hadian said the demand for O&G is expected to rise with growth in demand expected at more than 3% annually.

"The outlook for world energy prices, specially oil, is robust," he said.

Hibiscus Petroleum Bhd, the first SPAC to be listed last year, raised about RM235 million. The company is focusing on acquiring QAs in South Asia, the Middle East, East Asia and oceanic regions.

Another listed SPAC, Clig Energy Bhd, raised about RM363.5 million in April. Clig too is focusing on the Asian and Oceania regions, especially Indonesia, Brunei, the Philippines and also some assets outside the Asian region.