

DATE: 5 JULY 2013
PUBLICATION: THE MALAYSIAN RESERVE
SECTION: BUSINESS
HEADLINE: SONA PETROLEUM BUYING IN VIETNAM
CATEGORY: COMPANY NEWS
MEASUREMENT: 136 CM²

Sona Petroleum buying in Vietnam?

by **AZLI JAMIL**

SONA Petroleum Bhd, which plans to raise RM550 million through an initial public offering (IPO), is said to be planning to use some of the proceeds to buy oil and gas (O&G) assets in Vietnam.

"The company is acquiring production assets in Vietnam," a source who declined to be named told *The Malaysian Reserve* yesterday.

The O&G special-purpose acquisition company (SPAC) is launching its prospectus in Kuala Lumpur with an expected listing on the Main Market

of Bursa Malaysia at the end of the month.

In its prospectus posted on the Securities Commission website, the company said that it will use RM495 million, representing 90% of its estimated IPO proceeds, on exploration and production assets within three years by leveraging on the networks established by the members of its board and management team.

"Our business model is to pick up production assets. So, that is the main challenge for the management team and board of directors. Once we have production assets, we will

start to get revenue. Given the three years (target), we should see revenue coming in," said Sona's MD Datuk Seri Hadian Hashim to reporters in June.

According to a research report titled "Vietnam O&G Report 2013" by Business Monitor International (BMI), oil output will rise in the short-term as new fields are brought online or are ramped up to peak production levels.

BMI said that "O&G reserves could rise if new exploration gathers pace. However, ongoing risks from vigorous Chinese opposition to drilling in the disputed South China Sea

could delay exploration."

The source also said that the institutional portion of the IPO has been fully subscribed.

Sona will be offering up to 1.1 billion shares at one sen each, with up to 1.1 billion free detachable warrants on the basis of one warrant for every share. The conversion price of the warrants is 35 sen, with a five-year conversion period.

The company may become the biggest SPAC to be listed in Malaysia. The two SPACs listed earlier, Hibiscus Petroleum Bhd and CLIQ Energy Bhd, raised less than RM500 million each.