

DATE: 6 JULY 2013
PUBLICATION: BUSINESS TIMES
SECTION: BUSINESS
HEADLINE: SONA PETROLEUM TARGETS ASSET BUYS
CATEGORY: COMPANY NEWS
MEASUREMENT: 354.75 CM²

Sona Petroleum targets asset buys

OOI TEE CHING

KUALA LUMPUR: Sona Petroleum Bhd is looking to buy controlling stakes in oil and gas production companies, said its managing director Datuk Seri Hadian Hashim.

"After listing, we have three years to look for suitable assets and we're looking at production companies. Although they are more expensive, the firms are relatively faster in generating income, more likely in a year," he said after Sona's prospectus launch, here, yesterday.

"We're looking at having at least a joint control over the operations or financial decisions of the assets," Hadian added.

As a special purpose acquisition company (SPAC), he said, Sona does not have any operations or income-generating business at its initial public offering (IPO).

Sona is the third SPAC to be listed on Bursa Malaysia after Hibiscus Petroleum Bhd and Cliq Energy Bhd. All three are in the oil and gas sector.

Sona plans to raise up to RM550 million from its IPO, of which 90 per cent will go to asset purchases. The rest will be set aside for working capital.

The company's six cornerstone investors are Hong Leong Asset Management, Hong Kong-based hedge fund Segantii Capital, and investment firm Davidson Kempner, and



(From left) Sona Petroleum MD **Datuk Seri Hadian Hashim**, RHB Investment Bank executive director **Ong Ju Yan**, Sona non-executive chairman **Andreas Johannes Raymundus van Strijp** and CIMB Investment Bank deputy CEO **Kong Sooi Lin** at the prospectus launch yesterday. Pic by Khairull Azry Bidin

three banks backing the listing, namely RHB Investment Bank, CIMB Investment Bank and Kenanga Investment Bank.

Major bankers CIMB and RHB are the joint principal advisers, joint placement agents and joint managing underwriters. CIMB and RHB also act as the joint underwriters, together with Kenanga Investment Bank and MIDF Amanah Investment Bank, for the retail offering.

Sona's prospectus stated its key management is barred from selling any of its shares until the company generates a year of audited revenue from the commercial production of its qualifying asset.

This requirement is meant to protect minority shareholders' interests. After the listing, Sona's management team will hold 20 per cent of the enlarged share base.

Hadian said Sona is the first SPAC to have an institutional portion un-

der the Ministry of International Trade and Industry for its listing.

This IPO is slated for July 30 and book-building for the retail shares opened at 10am yesterday and closes on July 12. The institutional offering also opened yesterday and closes on July 17.

The 1.1 billion share sale consists of 959 million shares for institutional investors and 141 million for retail investors at 50 apiece. Each share comes with a free warrant.