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Sona secures investors

Largest SPAC public offer at 50 sen per share

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THE outlook is positive for Sona Petroleum Bhd as it has signed on several key cornerstone investors ahead of its scheduled listing on Bursa Malaysia on July 31.

The cornerstone investors include CIMB-Principal Asset Management Bhd, Davidson Kempner European Partners, Hong Leong Asset Management Bhd, Kenanga Investors Bhd, RHB Investment Management Sdn Bhd and Segantii Asia Pacific Equity Multi Strategy Fund.

These investors have acquired in total of 275 million public issue shares together with 275 million attached warrants, representing 20% of Sona Petroleum's maximum enlarged share capital.

Sona Petroleum aims to raise up to RM550 million from its initial public offering (IPO) and upon listing,

it is expected to have a market capitalisation of up to RM705.4 million.

Managing director Datuk Sri Hadian Hashim said: "We have been receiving overwhelming enquiries to the company and remain confident of raising and achieving the target proceeds."

CIMB Investment Bank Bhd deputy chief executive officer Kong Sooi Lin said: "We anticipate this to be one of the biggest IPOs by a special purpose acquisition company (SPAC) ever in Malaysia."

She added that the company is also the first SPAC to offer a portion of its shares to bumiputra citizens.

The SPAC's independent non-executive chairman Andreas Johannes Raymundus van Strijp said: "Proceeds raised from our IPO will allow us to acquire operating companies or assets in the exploration and production phases of the oil and gas industry, either onshore or offshore in shallow water

depths as our qualifying acquisition."

The IPO will involve an offering of a total of up to 1.1 billion new one sen shares together with up to 1.1 billion free detachable warrants attached. The offer price is 50 sen per share.

"Based on an independent market research report, the continued increase in energy demand and long-term upward trend of oil and gas prices are expected to sustain, mainly driven by the expected increase in world population and world income," said van Strijp.

Sona Petroleum will look to acquire production assets within Southeast Asia, Middle East and selected countries in Africa.

The production assets will enable Sona Petroleum to generate cash flow on the immediate and near term for efficient operation.

Exploration assets will then be added as it will enhance the value of Sona Petroleum in the long-term.