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Sona's warrants soar 247% on debut

ASHRAF SHAMSUL/THE SUN

> Price closes at 26 sen as investors see more value in company's warrants compared with its shares

BY **EE ANN NEE**
sunbiz@thesundaily.com

KUALA LUMPUR: Sona Petroleum Bhd, the third special purpose acquisition company (SPAC) to list on Bursa Malaysia, saw its warrants soar 246.67% to 26 sen at the close of its first trading day yesterday, as investors saw more value in snapping up warrants in the company compared with its shares.

The reference price of its warrants was 7.5 sen apiece, with 692.5 million units traded.

Its shares, however, saw more modest gains of 4.71% to 44.5 sen from its issue price of 42.5 sen, with 401.5 million shares done.

"If you look at the structure of SPACs, you have mother shares and warrants. As there is no acquisition just yet, people tend to at least play on one of the mechanisms, which in this case, is the warrant," its managing director Datuk Seri Hadian Hashim told a press conference after Sona's listing ceremony yesterday.

The company has identified Southeast Asia, the Middle East and several countries in Africa as its regions of interest for the target assets of its qualifying acquisition.

"Since news of our listing date, we've received quite a number of proposals from these regions of interest," Hadian said.

He said Africa plays an important part in



Hadian strikes the gong to signal the official listing of Sona Petroleum on Bursa Malaysia yesterday

the global oil market, as it has reserves of 132 billion barrels, which represents 8% of the total reserves in the world. The SPAC is looking at about 10 countries in Africa, such as Nigeria, Mozambique and Tanzania.

Hadian said Sona focuses on the exploration and production phases of the extensive oil and gas value chain. He, however, does not discount venturing into the acquisition of exploration and development assets should the opportunity present itself.

He said the company is looking at acquiring a controlling stake in its qualifying assets, which will enable the company to participate in decision making and charting the direction of the company in the picture.

"Depending on asset size, it could range from 20% to 30%."

SPACs in Malaysia have a permitted time frame of 36 months from the date of listing to complete the qualifying acquisition.