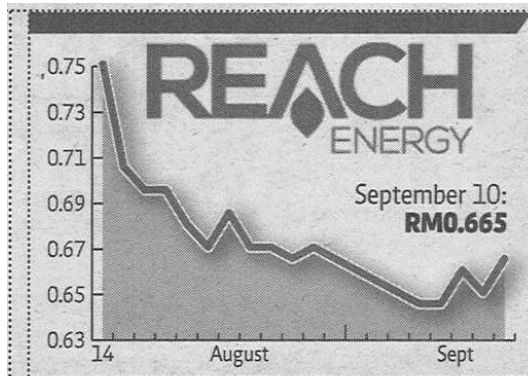


DATE: 12 SEPTEMBER 2014
PUBLICATION: NEW STRAITS TIMES
SECTION: BUSINESS SECTION
HEADLINE: HLIB RESEARCH HAS 'TRADING BUY' ON REACH ENERGY
CATEGORY: COMPANY NEWS
MEASUREMENTS: 130 CM SQ



HLIB Research has 'trading buy' on Reach Energy

HONG Leong Investment Bank (HLIB) Research has recommended a "trading buy" on Reach Energy Bhd as its share price is expected to rebound in the immediate term.

HLIB Research opined that Reach's share was bottoming out and it had an almost identical chart similar to that of Cliq Energy Bhd and Sona Petroleum Bhd.

"Cliq and Sona hit bottom and rebounded after 16 and 19 trading days post-initial public offering and only hit peak 11 and 21 trading days thereafter.

"If Reach is able to replicate the same movement in Cliq and Sona, Reach's share price is expected to rebound in the immediate term as it has started to rebound on the 17th trading day after hitting bottom on the 16th trading day," said HLIB Research in a note to investors yesterday.

The research firm said potential upsides (for Reach's share) were targeted at 68 sen and 72 sen and 765 sen (all-time high), with immediate supports at 65 sen and 635 sen, and cut loss level at 62 sen.

For cheaper exposures, it said, traders may consider Reach-WA.

The newly listed special purpose acquisition (SPAC) company is evaluating 10 potential assets that it is looking to acquire within one to three years, according to an earlier report.

The counter, listed on August 15, made a debut at 72.5 sen for a discount of 2.5 sen.