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Investors chase after Reach warrants

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KUALA LUMPUR: Reach Energy Bhd, Malaysia's largest listed oil and gas special purpose acquisition company (SPAC), was the most active stock on its Bursa Malaysia debut yesterday.

However, its shares slipped eight per cent from its 75-sen issue price to 70.5 sen as investors chased after its warrants more than the mother shares. The shares had at one point fallen by as much as six sen to 69 sen.

The warrants were the most actively-traded securities on the local exchange, gaining a whopping 22 sen from its reference price of half sen price. A total of 556.9 million units were traded.

The company's shares were the second most-



Managing director **Shahul Hamid Mohd Ismail** (right) and company officials at Reach Energy's listing ceremony in Kuala Lumpur yesterday. Pic by Surianie Mohd Hanif

active with a total volume of 294.8 million units.

Dealers said most investors opted for Reach Energy's free warrants.

The company raised RM750 million through the public issue of one billion shares with a similar number of free warrants, making it the largest SPAC based on the fundraising size.

Last year, Sona Petroleum Bhd and Cliq Energy Bhd raised RM550 million and RM364 million, respectively.

In 2011, Hibiscus Bhd, Malaysia's first listed SPAC, raised RM235 million via its initial public offering that was oversubscribed by 3.8 times.

Reach Energy's investors include Lembaga

Tabung Haji, Pelaburan MARA Bhd, Permodalan Nasional Berhad's subsidiary PFM Capital Sdn Bhd, Koperasi Permodalan Felda Malaysia Bhd and Hong Leong Asset Management Bhd.

The company expects to finalise its first qualifying acquisitions in the Asia Pacific within the given three-year time frame, said managing director Shahul Hamid Mohd Ismail at its listing ceremony, here, yesterday.

Reach Energy is eyeing hydrocarbon fields in the development and production phases in the Asia Pacific, focusing on Malaysia, Indonesia, Australia, Myanmar, Thailand, the Philippines and Vietnam.