

Former Renong boss Halim in deal to revitalise Sumatec

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Sumatec Resources Bhd has inked an agreement with a unit controlled by Tan Sri Halim Saad for a proposed production-sharing contract with CaspiOilGas LLP.

In a statement to the stock exchange, Sumatec said the partners would jointly develop and extract hydrocarbon in Kazakhstan's Shelly Oil Field.

CaspiOilGas is a concession holder and operator of the Shelly Oil Field, which was awarded to it by the Kazakh government on Aug 26, 2000.

The announcement came barely a week after Sumatec dismissed reports that Halim, the former executive chairman of the Renong group, would be linked to the company.

Halim has often been described as the poster boy of Malaysian business in the 1990s.

Sumatec's share price has risen by nearly 300 per cent from Oct 13 on speculation that Halim would show his hand in the financially distressed company.

Sumatec, a Practice Note 17 company, has debts amounting to RM588 million and suffered a net loss of RM35.49 million in the financial year ended Dec 31, 2010.

The company has bled red for the past three financial years, suffering a net loss of RM65.4 million in 2009 and a net loss of RM51.89 million the year before.

Yesterday, Sumatec said it had inked a framework agreement with Markmore Energy (Labuan) Ltd for the proposed product-sharing contract, located next to the Caspian sea.

CaspiOilGas is a unit of Markmore, which is 99.99 per cent owned by Halim.

The deal with Markmore was part of a wider restructuring plan to help fix Sumatec's finances, the company said in the statement to the stock exchange.

Sumatec also noted that SRK Consulting (Australasia) Pty Ltd, a mining consultant, had estimated the Shelly oil field to have "proved plus probable" hydrocarbon reserves of 122.3 million barrels of oil equivalent.



Tan Sri Halim Saad