

Halim proposes injecting Kazakh assets into Sumatec

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PETALING JAYA: Former [Renong Bhd](#) executive [chairman Tan Sri Halim Saad](#) is proposing to inject his Kazakh assets into financially-troubled [Sumatec Resources Bhd](#), via a framework agreement which will see the oil and gas services provider be awarded a production sharing contract (PSC).

This confirms a story which appeared in *StarBiz* last Wednesday that stated Halim might emerge as a new shareholder in the Practice Note 17 company via the injection of certain oil and gas assets.

Bursa Securities had last Tuesday issued an unusual market activity query to Sumatec following a sharp rise in the company's share price as investors speculated on Halim's move.

Sumatec said in a filing to the stock exchange that the company was entering into a framework agreement with [Markmore Energy \(Labuan\) Ltd](#), a subsidiary of [Markmore Sdn Bhd](#) in which Halim owns a 99.99% stake and in which he and Abu Talib Abdul Rahman are directors.

Under the agreement, CaspiOilGas LLP, a Markmore Energy subsidiary, would award a PSC to Sumatec, which would then develop and extract hydrocarbon in the Shelly oil field located onshore next to the Caspian Sea in Kazakhstan.

Sumatec said the proposed PSC was part of plans to restore the company "onto a stronger financial footing via, amongst others, a balance sheet reconstruction, injection of new funds and settlement with the creditors."

The company said it was currently finalising the regularisation plan and would announce the details upon finalising the terms of the proposed PSC.

It said as part of the agreement, the company proposed to reduce shares at par value by 50% to 17.5 sen per share from 35 sen. This would also reduce existing issued and paid-up share capital to RM37.51mil from RM75.02mil.

To raise capital, a new share-placement exercise "by way of placement to new third party investors to be agreed by Markmore Energy and the company" was being proposed as well as a proposed renounceable rights issue of shares at par to entitled shareholders.

The share-placement exercise would raise gross proceeds of RM15mil while the proposed renounceable rights issue would raise gross proceeds of up to RM445mil and would take place following the completion of the capital-reduction and placement exercises.

The company said the new investors following the share-placement exercise would be entitled to the rights issue.