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## Daya buys into Reach Energy

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**PETALING JAYA (July 30, 2013):** Daya Materials Bhd, an oil and gas company, said it will pay RM8 million for a stake in Reach Energy Bhd, a special purpose acquisition company (SPAC) headed by its director Shahul Hamid Mohd Ismail.

In a statement to Bursa Malaysia yesterday, Daya Materials said it will subscribe to 533,334 redeemable convertible preference shares in Reach Energy at RM4.50 each and acquire 12.44 million shares in the shell company at 45 sen each.

"The subscription will enable Daya Materials to invest in Reach Energy, a company which will be an oil and gas exploration and production company, once it completes its qualifying acquisition," it said.

As it is, Reach Energy has yet to obtain the Securities Commission's (SC) approval for its listing.

"The shares subscription deal is conditional upon Reach Energy having obtained the relevant written approval of the SC for the proposed IPO," it said.

The market for oil and gas SPAC is sizzling as investors whet their appetite for risky bets.

Sona Petroleum Bhd, the third such company on Bursa Malaysia to sell shares to investors without having a business, had raised RM550 million from its IPO earlier this month.

That made Sona Petroleum, which will be listed on the exchange today, the largest SPAC to-date.

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