

Reach Energy RM750mil IPO to be the largest for a SPAC

PETALING JAYA: [Reach Energy Bhd](#), the fourth oil and gas special-purpose acquisition company (SPAC) to seek a Main Market listing on Bursa Malaysia, will be the largest initial public offering (IPO) for a SPAC by its fundraising size of RM750mil.

SPACs are companies which have no operations or income-generating business at the point of IPO but undertake the listing for the purpose of raising funds to acquire businesses or assets, otherwise known as the qualifying acquisition (QA).

The previous three SPACs – [Sona Petroleum Bhd](#), [Cliq Energy Bhd](#) and [Hibiscus Petroleum Bhd](#) – raised RM550mil, RM364mil and RM235mil respectively.

In its draft prospectus released on the [Securities Commission](#) website, Reach said its QA would focus on relatively low-risk development or production assets with a primary objective to produce oil and gas and generate early revenue within two years from the date it completed its QA.

“Post-QA, we intend to eventually own a balanced portfolio of exploration and production assets with the objective of growing our reserves,” it said.

Reach’s IPO consists of one billion new ordinary shares of 1 sen each together with one billion free detachable warrants representing about 78.26% of its enlarged issued and paid-up capital.

Of the one billion shares, 980 million together with 980 million warrants will be reserved for private placement while the remaining 20 million shares together with 20 million warrants will be made available by balloting for the Malaysian public.