

Dayang Enterprise, Perdana Petroleum suspend trading on possible takeover

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KUALA LUMPUR: Dayang Enterprise Holdings Bhd and its 29.88% owned **Perdana Petroleum Bhd** have requested for the voluntarily suspension in the trading of their securities with effect from Thursday.

According to the Bursa Malaysia circulars issued on Wednesday the suspension would take effect from 9am on Thursday “pending an announcement” by both companies.

Dayang Enterprise’s 29.88% stake in Perdana Petroleum comprises of 222.85 million shares.

The trading suspension could be a prelude to Dayang launching a takeover of Perdana Petroleum.

StarBiz reported on April 27 a much speculated takeover would mark the beginning of consolidation in the oil and gas space, which has been shaken by the oil price crash since last June.

In the Dayang-Perdana case, although no formal announcement has been made yet, analysts opine that Dayang, which is flush with cash from a recent fund-raising exercise, is drawn to Perdana partly because of the latter’s battered down share price, which has fallen by around 32% to RM1.33 since last June, giving it a price/earnings (PE) multiple of 10.5 times 2016 estimate earnings.

“The deal is likely to happen sooner than later,” said a source.

Prior to the oil price crash, Perdana had traded at around RM1.95, giving it a PE of close to 20 times its earnings.

“The synergies between the two companies are in the area of brownfield services, which require workbarges and workboats,” said CIMB Equities Research.

Perdana currently has five workbarges and a workboat deployed to Dayang on long-term charters.

Reference:

<http://www.thestar.com.my/business/business-news/2015/05/13/dayang-enterprise-perdana-petroleum-suspend-trading-on-possible-takeover/>