

Tuesday April 24, 2007

Oilcorp hopes to clear regulatory hurdle

By Loong Tse Min

PETALING JAYA: Oilcorp Bhd is optimistic of completing its proposed one-into-10 share split, following an unsuccessful attempt in 2004.

Oilcorp's previous bid at a share split was rejected by the stock exchange and Securities Commission (SC) on technical and financial issues, said group managing director Sunny Ng.

Speaking after the EGM that approved the proposal yesterday, Ng said the purpose of the share split "was to allow more people to buy the company's shares."

This round, the company could see the share-split exercise completed about "one month down the road," he said.

Oilcorp shares closed up 11 sen, or 7.59%, to RM1.56 yesterday.



From left: Oilcorp deputy group managing director Ang Choon Hug, Sunny Ng, chairman Mohamed Taib Mahmood and Pua Yow Liang

While the share split had received the shareholders' endorsement, it still required Bursa Malaysia and SC approvals, corporate finance senior manager Chu Kheh Wee said.

On the company's business, Ng said Oilcorp was looking to clinch one or two new offshore projects, worth more than RM100mil each, in the next two to three months.

The company's existing two offshore projects in Malaysia are nearing completion and it is about to commence three onshore projects related to biodiesel facilities worth a total of RM200mil.

In onshore projects, Oilcorp would also be focusing on "tank farms" in addition to refining facilities.

At present, the company has an order book in excess of RM500mil, expected to last about three years.

Oilcorp is currently bidding for oil and gas, as well as general infrastructure projects worth "billions" in the Middle East, and about RM500mil to RM600mil in Indonesia.

The projects in Indonesia were mainly in infrastructure and energy sectors, said Ng.

At present, 70% of Oilcorp's oil and gas-related business is from overseas. Whether this ratio would be maintained this year was difficult to tell, said Ng.

The company would not neglect the domestic oil and gas sector, with large-scale projects expected to roll out from now to 2009, he added without elaborating.

On the company's property investment and resort hotel division, executive director Pua Yow Liang said it was contributing about RM25mil in revenue a year.

This year, the division expects to launch projects in Pulau Indah (Klang), KL Sentral and Genting Highlands, with gross development value of about RM500mil, RM350mil and RM50mil respectively.

There were also long-term plans to spin off the property division, Ng said.

"We are looking at a separate listing but it is at very preliminary stages," said Ng.