

THE AUSTRALIAN

Frank Timis in Newcastle-based National Stock Exchange's biggest capital raising

MICHAEL BENNET THE AUSTRALIAN APRIL 13, 2011 2:45PM

FRANK Timis's African Petroleum has raised \$250 million from institutions, marking the National Stock Exchange's biggest ever capital raising.

African Petroleum, which the Australian Securities Exchange last year blocked from listing on the ASX, said today it had raised the funds through a two tranche placement at \$1 a share -- a 2 per cent discount to its last price of \$1.02 on Monday, when it went into a trading halt.

The raising eclipses the NSX's previous highest raising of \$220m, also by African Petroleum when it listed on the Newcastle-based exchange last year.

The NSX caters for the listing of small to medium enterprises, despite African Petroleum's market capitalisation of almost \$1.4bn -- 64 per cent of the NSX's total market capitalisation of \$2.5bn.

Mr Timis, who is non-executive chairman, said the placement was oversubscribed, with strong demand a broad range of "blue chip" institutional investors in Australia, Canada, the UK and the US.

"This is a major endorsement of African Petroleum's management, business and prospects and will enable the company to continue to build on our strategy of becoming West Africa's largest independent oil and gas exploration and development company," he said.

GMP Securities and Patersons acted as selling agents on the offer.

African Petroleum's market capitalisation would be boosted to \$1.6bn should shareholders approved the raising next month, the company said.

African Petroleum holds interests in offshore Liberia, where the company plans to drill its first well in June. It also owns interests in offshore The Gambia and recently acquired interests in offshore Sierra Leone.

The company's biggest shareholder with 47 per cent is Sarella Investments, which is part of the Timis

Trust. Prolific Perth mining magnate Tony Sage is a non executive deputy chairman with about 0.8 per cent of the company.

The ASX last year blocked African Petroleum and International Petroleum from listing on the ASX after they entered into "company transforming" transactions that resulted in Mr Timis obtaining significant shareholdings and a board seat on both companies.

The ASX cited concerns about the influence Mr Timis might have on the companies' compliance with their continuous disclosure obligations.

bennetm@theaustralian.com.au (<http://bennetm@theaustralian.com.au>)

50% OFF A WEEK FOR THE FIRST 12 WEEKS*

*Conditions apply

Digital subscription +
Weekend paper delivery

SUBSCRIBE NOW