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Lembaga Tabung Haji raises stake in Dayang with purchase of extra 411,300 shares

KUCHING: Lembaga Tabung Haji (LTH) has further raised its stake in Dayang Enterprise Holdings Bhd (Dayang) to 5.9% with the purchase of an additional 411,300 shares last week.

The shares were acquired between July 24 and 26, bringing the Pilgrims Fund Board's total shareholding in the Miri-based oil and gas service provider to 32,438,300 units.

Earlier this month, LTH bought 630,000 Dayang shares on several occasions.

Several research houses are bullish about Dayang's future prospects, and have an "outperform" or "buy" call on the stock.

RHB Research, which has an "outperform" rating on Dayang with a target price of RM2.31, said it understood from its recent meeting with the company's management

that Dayang is targeting to increase its order book to RM3bil by end of financial year 2012 (from RM1.4bil as at end of February).

Dayang, according to the research house, is hopeful on the award of major hook-up and commissioning contracts totalling more than RM7bil from Petronas Carigali Sdn Bhd, Shell Sarawak/Sabah and ExxonMobil.

"Dayang's management highlighted that they are interested in bidding to participate in marginal oilfield projects although this is not yet confirmed.

"Given Dayang's core capabilities, coupled with its tie-up with Perdana Petroleum, we believe it is actually in a good position to participate in the development of a marginal oilfield.

"This provides an exciting new angle towards Dayang although we believe that the marginal oilfield would not materialise so soon," RHB Research said in a recent report.

Dayang managing director Tengku Datuk Yusof Tengku Ahmad Shahrudin told *StarBiz* recently that his company would carry out thorough evaluations and seek guidance before deciding whether to participate in risk service contracts (RSCs) for the development of marginal oilfields.

Petroleum Nasional Bhd plans to develop 27 of the 106 marginal oilfields in Malaysia which are reported to collectively contain 580 million barrels of oil equivalent.

Two such RSCs have been awarded, and more are expected to be dished out soon.

RHB Research said Dayang might increase its stake in Perdana Petroleum to 20% from the current 15%.

Perdana Petroleum owns a fleet of offshore support vessels of which several are chartered to Dayang.

In its recent report, BMB Securities Research maintained its "buy" call on Dayang with a target price of RM2.43.

Dayang shares have recovered to around RM2 from a low of RM1.86 earlier this month. Its single largest shareholder is property developer Naim Holdings Bhd.

It is primarily involved in offshore topside maintenance, hook-up and commissioning and minor fabrication operations. The group also owns and charters marine vessels.