
SouthGobi Energy eying HK IPO - Report

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Reuters reported that Canada listed mining group SouthGobi Energy Resources has hired Citigroup and Macquarie for a planned USD 200 million to USD 250 million initial public offering in Hong Kong.

A source familiar with the matter said that SouthGobi is focused on exploring and developing metallurgical and thermal coal deposits in Mongolia and Indonesia. Its flagship coal mine, Ovoot Tolgoi in Mongolia, sells coal to buyers in China.

The source added that the miner is seeking funds to expand in Asia and planned to complete the IPO in the next few months and private equity firms could be interested in taking pre-IPO stakes in the company.

In February, Mr Alexander Molyneux Citigroup's former Asia-Pacific investment banking head of metals and mining, left the bank to take an executive position at SouthGobi. Mr Molyneux started work at the Vancouver-based coal producer in late April.

He said that "The first thing is to establish SouthGobi Energy Resources in Asia. It's got to have more of a presence in the investment community here."

Last year, a Hong Kong newspaper reported that SouthGobi aimed to raise as much as USD 800 million from a secondary listing in Hong Kong. The source declined to comment on the report, or on SouthGobi's previous plans.

(Sourced from Reuters)

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