

# Sound Energy PLC

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## Sound Energy has an investment case to be heard - analyst

Sound Energy PLC (LON:SOU) has an investment story that should be heard by investors, that's the view of RBC Capital Markets analyst AI Stanton.

With a drill programme in the calendar, slated through late 2018 and early 2019, the analyst suggested the share could be seen as cheap, relative to other oil stocks, with different emphasis.

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"Over the past year underweight SMID investors have focused on leveraged oil producers, while seeing little or no reason to evaluate the explorers; given these tendencies, gas-exploration-focused Sound Energy has drifted towards a two-year low," Stanton said.

In terms of valuation, the analyst said the Sound Energy share price is 'in line' with RBC's net asset value (NAV) model - which is pitched at 38p per share - whilst pointing out the significance of upcoming triggers.

RBC also highlighted the group's commercialization strategy.

"Concurrent with its exploration campaign, Sound is looking to commercialise its existing, ~380Bcf, TE-5 discovery, and during the summer we anticipate an update on a potential gas sales agreement for the P90 resource of ~140Bcf, to help underpin the development," the analyst added.

"In addition, management is negotiating vendor financing through a Build Operate Transfer (BOT) arrangement for the central processing facility and export pipeline."

**Price:** 1.44

**Market Cap:** £16.73 m

### 1 Year Share Price Graph



May 2019 November 2019 May 2020

### Share Information

**Code:** SOU

**Listing:** AIM

**52 week High Low**  
12.18 0.74

**Sector:** Oil & Gas

**Website:** [www.soundenergypc.com](http://www.soundenergypc.com)

### Company Synopsis:

*We are a well-funded Mediterranean exploration and production company, listed on AIM, with an institutional cornerstone investor and strong liquidity. We have built a high quality, action orientated, team across Milan, Rabat and just outside of London focused on permitting, funding and then delivering a Mediterranean and gas focused drill programme which is balanced in terms of risk and reward.*

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