

Coro Energy PLC

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Coro Energy lands first Indonesia acquisition

Coro Energy Plc (LON:CORO) has announced a new acquisition, with a deal to acquire a substantial stake in the Lengo gas field located offshore East Java, Indonesia.

Specifically, it is acquiring a 42.5% interest in the Bulu Production Sharing Contract which hosts the Lengo field. The total deal value is set at US\$10.96m, plus US\$1.04m of cost reimbursement, with the transaction comprising a US\$8m cash payment and US\$4m to be paid in Coro shares.

READ: Hurricane Energy strikes US\$387m West of Shetland partnership deal
Lengo hosts some 359bn cubic feet of contingent, recoverable gas resources (plus it has an estimated 420bn cubic feet of resource upside) and it has a government approved field development plan - gas marketing efforts are already underway, with a preliminary deal signed earlier this year.

James Menzies, Coro chief executive, said: "The Lengo gas discovery is the right scale and in the right address, with an approved development plan and direct access to high-value markets.

"This asset is well suited to nimble, independent E&P players with ambitions to grow.

"We look forward to developing the full potential of the asset and the acreage around it as we build a regional portfolio."

The transaction

Coro is acquiring its stake via a tripartite agreement with HyOil and AWE - HyOil receives the US\$4m of Coro shares, while AWE receives the US\$8m cash payment.

HyOil will initially receive the equivalent of US\$2m in Coro shares, upon completion of the deal, whilst the other US\$2m is due in the future subject to certain project milestones being achieved.

It gives Coro a 42.5% stake in the asset, alongside existing partner Kris Energy (which also has 42.5%) and local partners Satria Energindo and Satria Wijaya Kusuma which own 10% and 5% respectively.

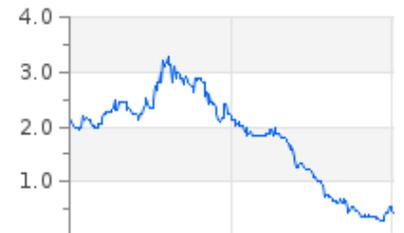
Menzies added: "This first Indonesian acquisition provides Coro with a strong initial platform on which to progress our South East Asian growth strategy; it has been crucial for us to find the right asset on which to build, and being an asset with solid, proved gas resource base together with substantial technical and commercial upside, I believe this transaction delivers that."

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Price: 0.45

Market Cap: £3.57 m

1 Year Share Price Graph



May 2019 November 2019 May 2020

Share Information

Code: CORO

Listing: AIM

52 week High Low
3.35 0.275

Sector: Energy

Website: www.coroenergyplc.com

Company Synopsis:

Coro Energy PLC's aim is to become a mid-tier, south east-focused exploration and production company.

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