

# Block Energy PLC

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## Block Energy on a roll as well in Georgia smashes expectations

- AIM-listed Block Energy PLC (LON:BLOE) shares soared after latest flow test at West Rustavi in Georgia
- A well sidetrack at West Rustavi 16a was among the best wells yet drilled in Georgia
- In testing, the well produced oil at a rate of 1,100 barrels per day against a targeted rate of 325 bopd
- Flow test showed continued steady production that has been intentionally choked back to 700 barrels daily
- The initial well performance is better than any well drilled in Georgia in the last 50 years, Block said

What it owns

### West Rustavi

Currently a 71.5% working interest which is set to rise to 100% following an agreement in February.

The field contains an estimated 38 MMbbls (million barrels) of gross contingent resources ('2C') of oil which, consequent to results at 16a, the Company hopes to mature to 2P reserves.

In addition, it holds legacy gas discoveries supporting a gross contingent ('2C') resource of 608 BCF (Source: CPR).

Following the current build-up phase, the 16a sidetrack will be placed on production using the field's existing test facilities and the oil trucked to a nearby oil storage facility.

The 16a horizontal sidetrack at West Rustavi was the first of two at the prospect targeting a combined gross production of 650 bopd.

In addition to the sidetrack, the original, legacy 16a well flowed at more than 200 barrels per day in a test at the end of 2018, with a further 300 barrels from tests in the following days.

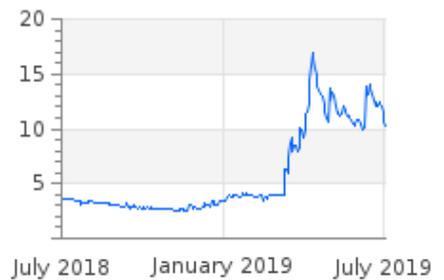
### Schlumberger

Schlumberger is drilling across the licence adjacent West Rustavi targeting a potentially huge discovery.

**Price:** 10.3p

**Market Cap:** £40.53M

#### 1 Year Share Price Graph



#### Share Information

**Code:** BLOE

**Listing:** AIM

**52 week High Low**  
17.50p 2.40p

**Sector:** Oil & Gas Exploration & Production [T3]

**Website:** [www.blockenergy.co.uk](http://www.blockenergy.co.uk)

#### Company Synopsis:

*Block Energy is an AIM-listed asset-backed revenue generative junior oil and gas company aiming to capitalise on first mover advantage to build the largest independent producer in Georgia, a proven but underdeveloped oil producing nation increasingly on the radar of the majors. Schlumberger, the world's largest oilfield services provider, recently acquired a strategic position in the country.*

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"With ExxonMobil recently entering the country and ongoing operations across Schlumberger's 100% owned position next to our own licences, Georgia's potential as a hydrocarbon region is being recognised by the industry

#### Norio

Block is undertaking a programme of workovers and sidetracks at Norio, also in Georgia, to boost production to 250 barrels per day.

#### Satskhenisi

A potential 28mln barrels where exploratin is in the process of getting underway.

#### What the boss says: Paul Haywood

"With our existing production at Norio selling for Brent minus US\$10, a production rate of 900 bopd has the potential to generate circa US\$13mln in annual revenues at current oil prices."

"With four more existing wells identified as suitable sidetrack opportunities at West Rustavi, an inventory of historic wells at Norio, and a potential 28 MMbblof contingent resources at Satskhenisi, the opportunity to significantly scale our cash flow further is clear."

#### Latest video

#### Inflexion points

Stable production from West Rustavi legacy and sidetrack wells

More horizontal sidetracks scheduled for West Rustavi

Schlumberger completes drilling and publishes results for Permit XIB, next to West Rustavi

Exploration at Satskhenisi to confirm new prospective resources

Company moves cashflow positive as production ramps up

#### Blue Sky

Production set to hit 1,500 barrels per day by end of 2019

At that level revenues are between US\$1.5-2mln a month

Shclumbeger well can XIB can prove up major oil play

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