

Solo Oil PLC

21:05 06 Aug 2020

Solo Oil buckled into Ruvuma but keeping eyes on exit door

How it's doing

Solo Oil PLC (LON:SOLO) in late June significantly arranged a US\$5m financing facility to meet its commitments on the Ntorya prospect in Tanzania while it continues to negotiate the sale of its stake.

Financier Prolific Basins is providing the money through a tranching investment structure that Solo said allows it to have a flexible funding option in place, should it be required, for the planned appraisal programme on Ntorya.

Solo also said it is to switch its strategy going forward towards energy transition opportunities in the European power sector including gas storage, gas peaking and battery storage.

Earlier this year, Solo terminated a deal to acquire producing assets in the Netherlands from One-Dyas due to the fall in the gas price.

Previously, in March, Solo Oil confirmed it had set up a data room for anyone interested in acquiring its 25% stake in the Ruvuma PSC. A formal sales process got underway at that time.

Other assets

Kiliwani North - Solo has an 8.4% stake in the Kiliwani North field which, in 2016, gave the company its first production generated revenue.

After around 2 years of operation, Kiliwani's single well has just gone through an upgrade programme and is yet to come back onstream.

Ruvuma - Solo also owns 25% of Ruvuma, an expansive and high potential area in Tanzania that already hosts the Ntorya gas field development project.

Here, the asset development is set to be driven by The Zubair Corporation which is acquiring a 50% stake in Ruvuma via a farm-out transaction with current operator Aminex. It will leave Aminex with 25% of the asset, the same as Solo.

Zubair plans to conduct a minimum work programme targeting a minimum gross rate of 40mln cubic feet of gas per day (MMcf/d) which amounts to 6,700 barrels equivalent. It also plans to drill a new well Chikumbi-1.

What the boss says: Chief executive Tom Reynolds

"We are pleased to be able to secure an appropriate funding structure that allows the company maximum flexibility to progress the activity and deliver value for shareholders.

"Particularly ahead of a major drilling campaign such as that planned for the Chukumbi-1 well in Tanzania in H1 2021.

"The company remains wholly committed to realising value from its interests in Tanzania and is encouraged by the interest received in its assets since commencing that sales process."

Price: 1.915

Market Cap: £13.18 m

1 Year Share Price Graph



March 2020 June 2020 October 2020

Share Information

Code: SOLO

Listing: AIM

52 week	High	Low
	2.69	0.3

Sector: Oil & Gas

Website: www.solooil.co.uk

Company Synopsis:

Solo's investing policy is to acquire a diverse global portfolio of direct and indirect interests in exploration, development and production oil and gas assets, with an on-shore focus in politically stable countries.

action@proactiveinvestors.com.au

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Solo Oil PLC named herein, including the promotion by the Company of Solo Oil PLC in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).