

United Oil & Gas PLC

19:00 09 Dec 2019

United Oil & Gas raises US\$6.25m, share trading resumes ahead of Rockhopper Egypt completion

United Oil & Gas PLC (LON:UOG) confirmed a US\$6.25m equity raise and gave further details on the timeline for its acquisition of Rockhopper's Egypt business.

The Rockhopper Egypt acquisition will have an effective date of 1 January 2020, delivering United O&G some 1,100 barrels oil equivalent per day (boepd) of net production plus 'low risk' development and appraisal upside.

United O&G is raising US\$6.25m with the sale of some 159m new shares priced at 3p each, as part of the funding package for the acquisition. It is also securing pre-payment financing with BP for US\$8m.

United O&G's shares resumed trading on London's AIM market today after a suspension at 3.35p.

READ: United to become "full cycle oil and gas company" with Rockhopper Egypt deal

"The Rockhopper Egypt Acquisition is a transformational development step for our company," Brian Larkin, United O&G's chief executive said in a statement.

"Upon completion of this deal, United will have material production which will generate significant cash flow for reinvestment into the business. We also gain exposure to an exciting fully funded development programme in Egypt which includes four wells in 2020," he added.

Some 114.5m new shares are separately being issued to Rockhopper - with certain 'lock up and orderly market obligations attached - as part of the acquisition deal.

United O&G posted an admission document to shareholders on 6 December to convene a general meeting on 23 December in London in order to secure shareholder approval for the Rockhopper transaction.

Larkin continued: "Along with activity across our wider portfolio, including the potential for future production from Italy and moving our Jamaican asset forward, we expect 2020 will not be short of significant news flow across our asset base.

"We are now on track to transform United into a highly cash generative and asset-backed business and I would like to thank shareholders for their support so far, especially with reaching this important milestone in United's journey."

Abu Sennan

The Rockhopper Egypt transaction sees United O&G acquire a 22% interest in the producing Abu Sennan Concession which lies in the Western Desert in Egypt.

It is operated by Kuwait Energy - now owned by United Energy Group Ltd - which owns 25% of the asset.

Price: 2.825

Market Cap: £17.49 m

1 Year Share Price Graph



Share Information

Code: UOG

Listing: AIM

52 week High Low
4.4 1

Sector: Oil & Gas

Website: www.uogplc.com

Company Synopsis:

United Oil & Gas (UOG) is an independent oil & gas start-up established in 2015. We are a former Tullow Oil team, with a strategy to acquire assets where the management team's experience can drive near-term activity to unlock previously untapped value.

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Abu Sennan is operated under a production sharing contract (PSC), and, comprises eight producing fields. There are seven development leases and the remainder of the acreage is covered by an exploration licence.

In aggregate, Abu Sennan is host to some 10.56mln barrels worth of proved and probable (2P) oil reserves and 7.8mln barrels oil equivalent of gas reserves.

Ongoing drilling programmes have seen considerable success, United O&G noted, and as a result, gross production volumes has increased to 5,000 boepd from 4,000 boepd at the start of 2019. Most recent drill results revealed the potential for 'in-fill' upside across the seven existing production areas.

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