

United Oil & Gas PLC

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United Oil & Gas hails drill results from incoming Egypt assets

United Oil & Gas PLC (LON:UOG) says latest drill results from the assets in Egypt it will buy from Rockhopper Exploration PLC (LON:RKH) next year underline their quality.

The junior has agreed to acquire Rockhopper's non-operator 22% stake in the onshore Abu Sennan concession.

Drilling at the ASH-2 well hit 50m of net pay in the Alam El Bueib reservoir that lies west-south-west of ASH-15T2, which is producing 340 barrels per day currently.

Initial results from the ASH-2 well were described as excellent by United, which added it is confident the well will further increase the output from Abu Sennan.

Production from the Al Jahraa SE-1X well, meanwhile, has risen to 450 barrels per day from 200bpd following successful fracking.

Brian Larkin, United's chief executive, said: "Today's announcement is further proof of the quality of the assets that United has agreed to acquire.

"Abu Sennan has a historic drilling success rate of over 80% and rising.

"Over the last year production at the licence has gone from just over 800bpd to 1,100bpd net as a result of the successful four well development drilling campaign.

"While we will wait to see the sustainable production levels on the ASH-2 well over the coming weeks, these initial results are excellent and we are confident that this well will further increase production."

A work programme already in place for 2020 will see a further four wells, while the deal with Rockhopper is set to complete in January.

The deal with Rockhopper constitutes a reverse takeover.

United is paying US\$16m to acquire the Egyptian assets with the deal partially supported by a financing deal with BP, which will provide US\$8m, along with a share placing to investors and a US\$5m issue of equity to Rockhopper.

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Price: 1.55

Market Cap: £9.6 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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