

United Oil & Gas PLC

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United Oil & Gas awaits farm-out as Tullow agrees extension for 'drill or drop' decision in Jamaica

United Oil & Gas PLC (LON:UOG) told investors that Tullow Oil PLC (LON:TLW), partner and operator for its high potential Jamaica exploration project, has reached an agreement with the Jamaican authorities to extend the initial exploration licence period by six months.

It means that a 'drill or drop' decision will need to take place before 31 July 2020, rather than 31 January 2020.

A joint farm-out partnering process is presently underway, led by Tullow, ahead of anticipated exploration drilling programme in 2021 to test the Colibri prospect (estimated to host some 229mln of potential resources).

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 In Tuesday's statement, United noted that a number of interested parties are continuing their evaluation of the licence data, and the extension was granted to provide sufficient time for these to be completed.

"We are very pleased with the extension that has been granted," said Brian Larkin, United chief executive.

"We have seen additional interest in the licence towards the end of 2019, and this extension will allow those parties to fully evaluate this excellent opportunity."

"We continue to be excited by the exploration potential in this super wild-cat area - not just in the Colibri prospect, but also in the follow-on opportunities that extend across the licenced acreage."

In December, Tullow Oil launched a full review of its business amid changes to senior management - which saw the departure of chief executive Paul McDade and exploration director Angus McCoss.

Tullow flagged a downgrade to its production operations in West Africa, in turn, its cash flow expectations and subsequently revised downwards its capital expenditure budgets.

At that time, Tullow said its board was disappointed by the performance of the business and it would take time to conduct a thorough review of operations.

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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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