

Carbon Energy

23:33 23 Feb 2021

Malcy's Blog - Oil price, Coro Energy, i3 Energy

Oil price, Coro, i3. And finally...

WTI \$61.49 +\$2.25, Brent \$65.24 +\$2.33, Diff -\$3.75 +8c, NG \$2.95 -12c, UKNG 40.25p -1.07p

Oil price

That was a short lived hiatus that was....No change last week but so far in the last two days WTI is up over \$3 and Brent up \$3.23, so much for taking a breather at \$65. It seems to be a combination of things, I mentioned yesterday that the virus numbers in the USA were rattling down and vaccinations increasing swiftly, that continues.

Also, despite the Texas freeze-up ending with milder weather over the weekend the infrastructure has not taken it well, oil and gas is not yet flowing freely and when it does reach the refineries many are still thawing out. Inventory stats will be a nightmare to read in the next week or two.

Also markets, particularly in the states, are jittery ahead of a two day testimony in Congress by Fed Chairman Jerome Powell who may worry markets on interest rates, surely not?

Finally this week's retail gasoline prices are unsurprisingly rising again. Overall in the US, a gallon of Exxon's finest will rush you \$2.633 up 13.2 cents w/w, 24.1c m/m and gaining 16.7c y/y. Consider yourself lucky as the West Coast retail price is nearer \$3.15.

Coro Energy (AIM:CORO)

Yesterday afternoon Coro announced the acquisition of Global Equity Partnership (GEPL), a proposed placing of £3m through accelerated book-build and an Open Offer for £0.5m. GEPL is an originator and developer of renewable energy projects in SE Asia and its Co-Founder Mark Hood will join Coro as CEO.

James Parsons, Chairman of Coro Energy, commented:

"We are delighted to announce the proposed acquisition of GEPL as the next step in our strategic evolution towards becoming a regionally focused, low carbon energy company. The combination of the acquisition and the proposed placing will provide the Company with an enviable renewable energy project pipeline and capital to deploy across both renewables and our underpinning Indonesian gas asset. GEPL's project pipeline and its executive team perfectly complement both Coro's South East Asian gas assets and our ion Ventures interest announced last year and I believe that the combined businesses will deliver enhanced value for all stakeholders. I look forward to welcoming Mark Hood

Share Information

Code: CNX

Listing: ASX

Sector: Energy

Website: www.carbonenergy.com.au

Company Synopsis:

Carbon Energy Ltd (ASX:CNX) is an emerging global energy technology provider and services company with expertise in unconventional syngas extraction through utilising its proprietary keyseam@ underground coal gasification (UCG) technology. .

action@proactiveinvestors.com.au

to the Board."

This morning the company has announced that it has raised £4.5m at 0.4p per share plus of course up to £0.5m in the Open Offer. This is clearly somewhat better than expected and clearly the substantial tempt of a very decent discount and hard work by Gneiss and new brokers on the block, Tennyson Securities/Shard have made it a comfortable achievement.

i3 Energy (AIM:i3E)

An operational update from i3 this morning, production remains 'predictably stable' with November 2020 to January 2021 averaging 9,150 boe/d (41% liquids).

The company say that the diversified portfolio continues to perform at or above expectations, with forecasted 2021 net operating income (revenue minus royalties, opex, transportation and processing) of approximately CAD \$35 million (US \$27.6 million) based on mid-February strip pricing, an estimated maintenance capital budget of approximately CAD \$3 million and excluding any additional production volumes associated with i3's recent Noel production test.

The high impact horizontal Falher formation production test at i3's Noel property, located in Northeast British Columbia, further confirming what the company describe as being 'the unrecognised potential within the Company's existing diversified portfolio of assets' is expected to be brought on production at approximately 500 boe/d during Q2 2021.

Given earlier promises the company confirm that it is their intention to declare maiden dividend in Q1 2021.

Majid Shafiq, CEO of i3 Energy plc, commented:

"We remain very pleased with the performance of our Canadian assets, which are producing better than both internal and independent third-party technical evaluator estimates and forecasts, generated at the time of the acquisitions.

"Our Canadian and UK teams continue to pursue synergistic opportunities to grow our platform through accretive M&A, while the current commodity environment also has i3 progressing organic opportunities from within, as is exemplified by the excellent result we've just achieved at Noel."

i3 Energy shares have risen some 18% this morning, probably justified given that the price has been under pressure for some time.

And finally...

In the Prem last night the Seagulls went down 1-2 to the Eagles in the M23 derby, tonight's fixture is Leeds hosting the Saints.

In the Champions League Chelski go to Atletico Madrid.

Tomorrow morning sees the 3rd test between India and England which is 1-1 at the moment with two tests to go. It is a day/night match at Ahmedabad which makes it a more reasonable start time of 0830 in the UK.

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