

Weekly News Round-up

05:30 17 Sep 2016

Proactive oil highlights: 88 Energy, Aminex, Hurricane, Rockhopper, Solo Oil and more...

The share price is up some 400% in the year to date thanks to success with the Tendrara well in Morocco, but, Sound Energy PLC (LON:SOU) chief financial officer Mary Hood, in a Proactive Investors interview, explained there's potential for a lot more growth yet.

"Tendara was the first of our three strategic plays in our portfolio at present," Hood said.

The failure of Xcite Energy Limited (LON:XEL) doesn't have much to do with oil prices or geology, not according to WH Ireland analyst Brendan Long.

Xcite this week flagged that a debt for equity swap, currently under negotiation, will leave existing shareholder with very little, if anything at all.

Teetering on the verge of financial meltdown, it Gulf Keystone Petroleum Limited is seemingly close to pulling off Mission Improbable.

Earlier Friday the Kurdistan-focused oiler announced investors had fully backed a US\$25m cash call that puts some cash in the bank.

Gulf Keystone Petroleum Ltd (LON:GKP) has received a major boost from its investors who have fully backed the troubled Kurdistan oiler's attempt at refinancing.

An US\$25m open offer of 2.29bn new shares at 0.831p each was oversubscribed and paves the way for a US\$500m financial restructuring that will see existing shareholders diluted down to 5% with a huge debt-for-equity swap.

BP PLC (LON:BP.) would make a good partner for Hurricane Energy PLC on its Lancaster field in the North Sea suggests Sam Wahab at broker Cantor Fitzgerald.

The analyst has just increased his target price for the oil and gas independent to 69p per share from 26p after a hugely successful test well at Lancaster last week.

Providence Resources PLC (LON:PVR) expects to start drilling its Druid well next June, the company confirmed Thursday.

The Ireland-focused group has formally issued an invitation to tender to deep-water rig operators interested in carrying out the work, with a contract set to be signed in the fourth quarter.

The current valuation of Sound Energy PLC (LON:SOU) remains "undemanding" ahead of the completion of two potentially "transformational" wells, according to the broker Cantor Fitzgerald.

Analysts Sam Wahab's comments followed the release of interims from the growing E&P company, whose shares are up 406% in the year to date, driven by its success in Morocco.

Sound Energy PLC's (LON:SOU) Morocco gas field has "multi Tcf" potential, the company said Thursday as it revealed

Share Information

MarketTopic Synopsis:

The news roundups, which are broken down by the sector, provide investors with an opportunity to read a summary of the most interesting news of the past five days of trading in just one story as they prepare for another busy week.

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plans for a third company-drilled well on the site.

In layman's terms, any discovery that runs into the trillions of cubic feet (Tcf) of gas is an internationally significant discovery.

Canadian Overseas Petroleum Limited (LON:COPL, CVE:XOP) said the acquisition of 80% of the share capital of Essar Exploration and Production Limited (Nigeria) has been completed.

Essar Nigeria's sole asset is a 100% interest and operatorship of OPL 226, which is 50 kilometres offshore in the central area of the Niger Delta. The block is situated along a large growth fault-controlled structural complex, which the company refers to as the "Noa Complex".

One of the pocket rocket stocks of the last oil boom, Rockhopper Exploration Plc (LON:RKH) has lost a lot of its allure with private investors.

Witness the share price slide over the last four years from just under four quid to 28p today.

Shares in Parkmead Group PLC (LON:PMG) rose 14% after clinching a deal that will increase its oil reserves in the Moray Firth by almost a fifth.

It now owns just over 60% (up from 52%) of the licences for the Perth and Dolphin (PDL) areas that are host to two "sizeable" accumulations light crude and that have been tested at production rates of 6,000 barrels a day.

Shares in Chariot Oil & Gas Limited (LON:CHAR) gushed higher on Wednesday as the Atlantic-margins explorer told investors of its drilling plans and said it had more than enough cash to fulfil its licence commitments. Shares added over 18% in morning deals to stand at 6.90p.

Falkland Islands oil explorer Rockhopper Exploration Plc (LON:RKH) has boosted production after snapping up assets in Egypt.

Rockhopper, whose main focus is on the North Falkland Basin, said output had increased materially after it completed the acquisition of Beach Egypt.

Xcite Energy, formerly one of the most actively traded and popular stocks with private investors, lost around three-quarters of its value yesterday in a brutal early session.

Precipitating the movement was what looks likely to be a punitive debt-for-equity swap that will dilute existing shareholders to the point of being the most minor, or minority owners.

North Sea oil may be in decline, but last week's news of a potentially big discovery by Hurricane Energy PLC (LON:HUR) has sparked hopes of a mini-renaissance in the region.

Shares in Hurricane jumped 40% on Friday after it revealed better-than-expected results for its first new well at the Lancaster field west of Shetland.

Hurricane Energy's (LON:HUR) pilot well at its Lancaster field in the North Sea last week has prompted a chunky share price target upgrade from Macquarie.

Kate Sloan, an analyst at the Aussie bank, has raised her price target to 60p (from 43p) and said the well's result points to a significant increase in volumes from the field.

Is Xcite Energy (LON:XEL) ready to walk a path last trodden by Gulf Keystone Petroleum (LON:GKP) with a debt for equity swap that will dilute existing investors out of sight?

Well, based on the latest update from the company, the answer to that question appears to be a resounding yes.

A catalyst for the 88 Energy's (LON:88E ASX:88E) shares price in coming months will be drilling on the acreage adjacent to its Icewine project in Alaska says Aussie broker Patersons.

88 Energy has accumulated a significant acreage position (77.5% working interest in over 271,119 gross acres) across the Central North Slope, onshore Alaska and has partnered with a highly-experienced and well-recognised partner in Burgundy Xploration.

Solo Oil PLC (LON:SOLO) has tied up the funding for the upcoming Ntorya-2 appraisal well in Tanzania through a cash injection from Aussie investor Epsilon.

The oil and gas group will raise £2m from the issue of 1.11bn shares at 0.18p, which will also allow it to pay off its equity swap agreement with financier Yorkville.

Range Resources Ltd (LON:RRL, ASX:RRS) has rejected a claim from Colombia's oil agency Agencia Nacional de Hidrocarburos (ANH) that it still owes money for licences it used to own in the country.

The company has submitted a "comprehensive response" to ANH objecting to the demand issued by the government organisation.

Aminex plc's (LON:AEX) recent fundraising will allow it to get underway with appraisal drilling at its Ruvuma licence in Tanzania this year.

It expects to spud the Ntorya-2 well at Ruvuma in the final quarter of 2016, with Ntorya-3 being drilled at some point in the first half of next year.

Prospex Oil and Gas PLC (LON:PXOG) said progress is being made on the Boleslaw-1 well on the Kolo licence in Poland.

Strzelecki, the licence holder of the Kolo concession, has signed a drilling contract with Poland's Exalo Drilling to drill the Bolesław-1 exploration well.

Lekoil Ltd has increased the size of the second tranche of its financing facility with FBN ahead of commercial production in Nigeria. The facility is now N4.5bn (US\$14.8m) from N2.5bn.

Solo Oil PLC (LON:SOLO) reduced its losses ahead of the first revenues coming through from its Kiliwani gas field.

Production has just got underway at the site in Tanzania where Solo has a 7.175% interest. Full implementation of the commercial gas sales agreement is expected later this year.

Falcon Oil & Gas Ltd (LON:FOG) has confirmed significant indications of gas in both the Middle Velkerri and Lower Kyalla formations at W-1 well in the Beetaloo Basin in Australia.

"Excellent gas shows" were discovered at two prospective shale sweet spots at the top and base of the Middle Velkerri formation, which Falcon said was comparable to those encountered during last year's drilling programme.

Pantheon Resources Plc (LON:PANR) told investors on Tuesday drilling had begun on a third well on its acreage in Polk County, Texas.

The VOBM3 well will be sunk to a depth of 14,250 feet into the Eagle Ford sandstone over 45-50 days.

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