

Premier Oil PLC

04:06 12 Jul 2012

Falkland Oil: Premier agrees US\$1 bln deal to control Rockhopper's Sea Lion

Falkland oil stocks were on the march this morning as Premier Oil (LON:PMO) became the latest company to venture into the South Atlantic.

It has agreed a major tie-up with Rockhopper Exploration (LON:RKH) that will see the British oil firm take a 60 per cent stake in the Sea Lion oil field development. In return Premier is committing just shy of US\$1 billion.

Premier will become the operator and take control of the project.

Initially Rockhopper will receive US\$231 million in cash. Subsequently Premier will take on US\$722 million of Rockhopper's share of the development costs and it will cover US\$48 million of its exploration costs.

The deal has been described as 'transformational' and by providing development funding analysts say it will overcome one of the main hurdles facing the Sea Lion project.

"Overall Premier looks like a good partner for Rockhopper in this development and brings a solid development capability and a strong balance sheet," Oriel Securities analyst Nick Copeman said in a note to clients.

Rockhopper shares were up almost 20 per cent in early deals. Though it appears some investors have been keen to sell following the hotly anticipated news and this has stifled some of the early gains.

At 9 am on AIM, Rockhopper shares were up 16p, or 6 per cent, trading at 289p. Meanwhile the Premier endorsement help lift fellow North Falkland explorers Desire Petroleum (LON:DES) and Argos Resources (LON:ARG) which gained 7 and 8 per cent respectively.

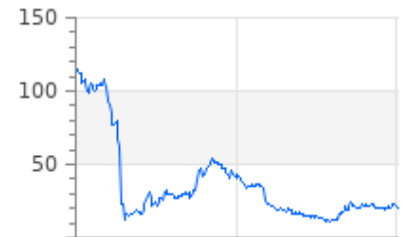
Premier Oil separately reported a 'strong' performance in its current operations, where annual production is currently expected to average 60,000 barrels per day. It says it is still on track for its medium-term goal of producing 100,000 barrels a day from its existing projects.

This morning Premier Oil shares gained 13p, or 3.75 per cent, to trade at 272p.

Price: 20.3

Market Cap: £187.88 m

1 Year Share Price Graph



January 2020 July 2020 January 2021

Share Information

Code: PMO

Listing: LSE

52 week High Low
 119.469 10.015

Sector: Oil & Gas

Website: www.premieroil.com

Company Synopsis:

Premier Oil plc is an independent exploration and production company with oil and gas interests in the North Sea, South East Asia, Pakistan, the Falkland Islands and Latin America. Post the E. ON acquisition, the company has reserves and resources of more than 800 million mmboe. The Company is engaged in the business of upstream oil and gas exploration and production.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Premier Oil PLC named herein, including the promotion by the Company of Premier Oil PLC in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).