

Petrofac Limited

07:56 24 Aug 2018

Petrofac to exit Greater Stella project with Ithaca transaction

Petrofac Limited (LON:PFC) has agreed to sell out of the Greater Stella Area development in a deal with Ithaca Energy.

The deal with Ithaca, which de-listed from London in June 2017 as it was acquired by Delek Group, will see Petrofac receive US\$292m for its 24.8% stake in the North Sea project.

Ithaca will pay US\$145m upfront with the further non-contingent US\$120m payment deferred to the period between 2020 to 2023, and another US\$28m contingent consideration will be payable in the future depending upon field performance.

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The deal is expected to complete in the first quarter of 2019, though it is conditional upon Ithaca's separate transaction to acquire 25% of GSA from fellow partner DYAS UK Limited.

"This disposal marks a further milestone in our journey back to a capital-light business and, along with recently-agreed transactions in Mexico and Tunisia, marks the significant progress we are making on our stated strategy," said Petrofac chief executive Ayman Asfari.

Petrofac expects to record a post-tax impairment charge of US\$55m as a result of the transaction.

It plans to use the injection of funds to reduce gross debt.

By taking full ownership of the GSA project Ithaca is increasing its production base by around 50%, to 22,000 bopd for 2018, and it also gains total control and flexibility over the continued development of the project.

The transaction is due to complete by 1 January 2019.

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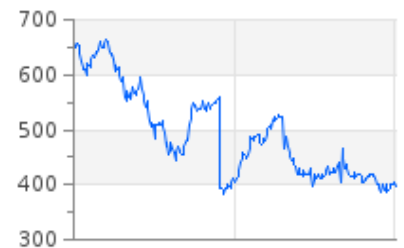
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Price: 404p

Market Cap: £137915000000M

1 Year Share Price Graph



August 2018 February 2019 August 2019

Share Information

Code: PFC

Listing: LSE

52 week **High** **Low**
679.00p 373.87p

Sector: Support Services [T3]

Website: www.petrofac.com

Company Synopsis:

Petrofac is a leading international provider of facilities solutions to the oil & gas production and processing industry, with a diverse customer portfolio including many of the world's leading integrated, independent and national oil & gas companies.

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