

Columbus Energy Resources PLC

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Columbus Energy raises funds to accelerate growth

Oil and gas producer Columbus Energy Resources PLC (LON:CERP) intends to raise around £2/5mln by placing shares at 3.5p a pop.

The Trinidad-focused company's shares closed at 3.75p on Friday.

READ: Columbus Energy looks to production growth as it completes Steeldrum acquisition

The company announced the placing after being approached by two of its shareholders who expressed an interest in providing capital to accelerate Columbus's growth strategy. A shareholder new to Columbus - Burggraben - intend to take some shares in the placing.

Funds from the placing will be used to repay the US\$1.25mln loan facility with North Energy Capital it inherited when it acquired the Steeldrum Oil Company; the company had indicated last week it would repay the loan facility by drawing down from its facility with Lind Partners but has now opted not to do the repayment this way.

READ: Columbus Energy completes Steeldrum acquisition

"Our major shareholders were keen to stress that they would rather see the monthly repayments, that would have been required to have been made on that Lind loan if it had been drawn-down, being invested in more value-adding opportunities in our operations," said Leo Koot, the executive chairman of Columbus.

Money left over will be used to establish and implement a multi-well drilling campaign on the Steeldrum assets and also in the South West Peninsula.

Columbus also intends to upgrade facilities in the South West Peninsula (SWP), particularly at Bonasse and Icacos, to speed up oil production growth and sales and also allow for early sales from any exploration success at the SWP in 2019.

"With the completion of the Steeldrum transaction, Columbus now has a diverse production base and multiple, large exploration prospects. This is despite the legacy issues we have faced over the last year, which have made a dent in our funds earmarked for further development and have slowed our pace of growth," said Koot.

"We are grateful for the long-term support from our shareholders and are delighted to welcome Burggraben, who expressed a willingness, after their visit to our operations in Trinidad, to invest in Columbus when the right opportunity arose. We remain committed to the further creation of value for all invested in Columbus and are confident that today's placing provides us with the springboard to deliver additional production growth that will in turn be reflected in our cash flow and the share price which, in turn, rewards everyone, including myself and the management team, who are still effectively using half their salary to buy equity on a monthly basis at 5.1p per share," Koot said.

In total, the company intends to issue 71.4mln new shares, taking the total number of shares in issue to 830.9mln.

Price: 1.8

Market Cap: £16.83 m

1 Year Share Price Graph



Share Information

Code: CERP

Listing: AIM

52 week High Low
5.1 0.88

Sector: Oil & Gas

Website: columbus-erp.com

Company Synopsis:

Columbus Energy Plc is an international oil and gas exploration, development and production company headquartered in London, trading on the FTSE AIM All-Share.

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