

Oracle Power PLC

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Oracle Power encouraged by stance of new Pakistani government

Oracle Power PLC (LON:ORCP) has completed a £450,000 raise that leaves it funded through to the first quarter of 2019.

The outstanding balance of £85,000 came through in November, said the thermal power station group.

Oracle is developing a 700Mw coal-fired electricity plant in Pakistan's Thar province.

A new government led by former test cricketer Imran Khan took over following a general election in July and it has confirmed support for indigenous coal-fired power generation in Pakistan and the Thar desert in particular.

"At a recent China Pakistan Economic Corridor ("CPEC") review meeting led by the Pakistani Minister of Planning and Development, attended by the Chinese Ambassador to Pakistan, support was affirmed for priority list energy and infrastructure projects, of which Oracle's project in Thar Block VI is one," it said in a statement in September.

At project level, Oracle is awaiting the formal approval of a notice to proceed and letter of intent from Pakistan's Private Power Infrastructure Board following an indication of approval earlier in the year.

Following that, Oracle will be required to lodge a performance bond of US\$700,000.

After that, a full EPC (construction) and O&M (operation & maintenance) proposal from its Chinese partners is needed.

That will be followed by an electricity tariff petition submission and completion the Environmental and Social Impact Assessment approval.

Oracle signed a MoU with Chinese groups Sichuan Provincial and PowerChina last November ahead of a formal agreement to build and operate the Thar project.

The consortium (TEPL) will seek a 30-year Power Purchase Agreement (PPA) with Pakistan's Central Power Purchasing Authority.

A coal supply agreement between TEPL and Sindh Carbon Energy Limited, Oracle's subsidiary which owns and operates the mine, is also required as is an Implementation Agreement between TEPL and Pakistan government.

Once all the approvals, permits and tariffs are in place, Oracle's partners will arrange the finance with Sinasure and Chinese banks.

Price: 1.05

Market Cap: £18.48 m

1 Year Share Price Graph



January 2019 July 2019 January 2020

Share Information

Code: ORCP

Listing: AIM

52 week High Low
1.798 0.19

Sector: Coal

Website: www.oraclepower.co.uk

Company Synopsis:

Oracle Power ("Oracle" or "the Company") is an AIM-listed coal developer. The Company's primary interest is the Thar Coalfield Block VI area located in the Sindh Province of South East Pakistan, a 1.4bn tonnes resource with a 529Mt JORC mineral resource and 113Mt JORC proven reserves within Phase 1 of the mining area of its mining lease. .

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The initial phase of development carries a capital cost of US\$1.6bn and is for a gross 4mln tonnes per annum mine, feeding a 700MW power plant.

Phase 2 of the project will see capacity expand to 1,400 Mw.

Under the terms of the MoU, Oracle will hold a 12.1% equity stake while its two Chinese partners SCIG and Power China will initially own 78% and 9.9% respectively.

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