

Oracle Power PLC

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Oracle shares surge as Chinese energy giant takes big stake in its Pakistan power plant

Shares in Oracle Power PLC (LON:ORCP) surged on Thursday after Chinese energy giant Beijing Jingneng Power Company (BJPC) took a majority stake in its key project.

Along with its other joint venture partner, PowerChina, Oracle is developing a 700Mw coal-fired electricity plant in Pakistan's Thar province.

BJPC, which is listed in Shanghai and is worth around US\$3bn, is replacing Sichuan Provincial, the last of the three original partners.

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As part of the revised memorandum of understanding, BJPC will own 78% of the project, Oracle will retain its 12.1% stake, while PowerChina will hold the remaining 9.9%.

Importantly for Oracle and its investors, the company's historical spend on the project will be capitalised as a contribution towards its equity interest.

"We have signed a new MOU and are pleased to bring BJPC on as a partner in the project," Oracle chief executive Shahrukh Khan.

"We remain grateful to PowerChina for their continued support throughout this process and believe we have the group to take this Project through to conclusion.

"We are mindful that this transaction has taken longer than many envisaged to complete and would like to thank our shareholders for their patience."

"The inclusion of our historic expenditure, several multiples of our current market capitalisation, as part of Oracle's contribution to the Project should help minimise dilution to shareholders in the PLC whilst retaining a significant interest in this sizeable asset."

After what he called a "frustrating period" with limited newsflow, Khan added that Oracle is now "firmly in a position" to press ahead with the project.

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

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

Shares jumped by a third to 0.5p on Thursday morning.

Price: 0.32p

Market Cap: £4.03M

1 Year Share Price Graph



Share Information

Code: ORCP

Listing: AIM

52 week High Low
1.10p 0.30p

Sector: General Mining - 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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