

Block Energy PLC

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Block Energy raises £12m to fund accelerated project development in Georgia

Block Energy PLC (LON:BLOE) has confirmed the close of the bookbuild for its new placing and has priced the funding at 11p per share.

On Wednesday evening, Block launched a £12m equity raise in order to fund an accelerated growth strategy in the Republic of Georgia.

It has now confirmed that it will sell 109m new Block Energy shares at 11p each, a 15% discount to the market price prior to the funding. The placing will be executed in three tranches and is conditional upon a shareholder vote at a general meeting.

READ: Block Energy on a roll as Georgia project smashes expectations
The cash injection will pay for the drilling of up to four new horizontal sidetrack wells to scale up production, the expansion of production facilities to provide capacity for 4,000 to 5,000 barrels of oil per day, and the acquisition of 3D seismic data.

Additionally, three other wells - not aimed directly at field development - are in the plans. Two will test appraisal targets, and another will be aimed at a 608bn cubic foot gas resource. All the proposed operations are expected within 12 months of the funding.

"We are delighted to have secured support for an ambitious work programme to develop our West Rustavi licence, the potential of which was confirmed by last month's excellent oil production test rates at well 16aZ of approximately 1,100bbl/d, more than three times higher than forecast," said Paul Haywood, Block Energy chief executive.

He added: "We have designed a rigorous programme promising rapid paybacks. The upgrade of production facilities will provide capacity for production from three new sidetracked wells.

"In Q4 this year we will sidetrack West Rustavi well 38, a neighbour and analogue to 16aZ. Two further wells, West Rustavi 30 and 3 will be sidetracked through H1 next year, and their associated gas discoveries tested. We will also continue our ongoing workover programme at Norio, and have scheduled the field's well 60 for sidetracking later this year," he added.

Haywood also highlighted that the injection of funds gives Block Energy further freedom to explore other new opportunities.

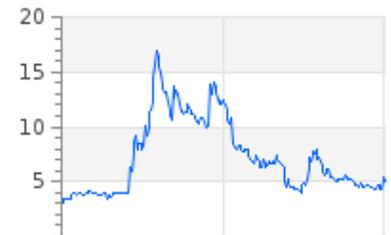
"We are a young, ambitious company keen to apply the low cost, innovative drilling technologies we have deployed in Georgia to new ventures in the region and beyond," he said.

"Today marks a major step forward for Block as we move towards our objective of becoming one of AIM's newest mid-

Price: 5

Market Cap: £19.72 m

1 Year Share Price Graph



January 2019 July 2019 January 2020

Share Information

Code: BLOE

Listing: AIM

52 week	High	Low
	17.5	2.1

Sector: Oil & Gas

Website: www.blockenergy.co.uk

Company Synopsis:

Block Energy is an AIM-listed asset-backed revenue generative junior oil and gas company aiming to capitalise on first mover advantage to build the largest independent producer in Georgia, a proven but underdeveloped oil producing nation increasingly on the radar of the majors. Schlumberger, the world's largest oilfield services provider, recently acquired a strategic position in the country.

action@proactiveinvestors.com

tier oil and gas producers."

-- Updates with pricing after bookbuild close --

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

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