

Max Petroleum

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Max Petroleum needs to strike financing deal to avoid insolvency

Max Petroleum (LON:MXP) says it will be insolvent unless it is able to restructure its debts and secure new funding.

The company this morning told investors that a proposed financing deal with AGR Energy will not proceed, and talks with creditor Sberbank have been unsuccessful so far.

"The fall in the oil price since November 2014 has had a very severe adverse impact on the company's current and forecast liquidity position in 2015 and beyond," the company said in a statement.

Ongoing talks are underway with AGR, over a new financing arrangement, which would comprise both equity-based funding and debt restructuring.

If successful the options under negotiation would render the company viable at current oil prices, Max said.

Nevertheless, the company added that time is running out for a deal to be reached.

"The directors of Max Petroleum currently believe that there is a reasonable prospect that ongoing discussions could result in a sufficient refinancing of the company and, on that basis, have not put the company into administration."

"However, there is only a short period remaining to achieve such a refinancing and if current efforts are unsuccessful then the consequences will be negative for all stakeholders in the company."

Market Cap: 0

Share Information

Code: MXP

Listing: AIM

Sector: Energy

Website: www.maxpetroleum.com

Company Synopsis:

Max Petroleum is an independent oil and gas exploration and production company focused on Kazakhstan. The Company is a public limited company incorporated in the United Kingdom and listed on AIM. The Company holds a 100% interest in Blocks A&E Licence area covering over 12,455 km² in the highly prolific Pre-Caspian Basin in Western Kazakhstan.

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