

Tower Resources PLC

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Tower Resources switches rig hire contracts for the Thali block

Tower Resources PLC (LON:TRP) has switched rig contracts for the scheduled drilling work on the Thali block in Cameroon.

The company said equipment needed to do preparatory work to lay the ground for drilling is en route to Africa, and the expectation is that this preparation work will be completed next month.

Previously, the company had intended to use the Topaz Driller rig, leased by Vantage Drilling, on the Thali block but another rig, the COSL Seeker, has become available in Cameroon; Tower Resources has elected to lease this rig to drill the NJOM-3 well instead of the Topaz Driller rig.

The day rate and other terms of the COSL Seeker agreement are similar to the agreement with Vantage and while there may be some additional costs for the mobilisation of test equipment to the COSL Seeker on the current schedule, the company also anticipates significant savings in the cost of rig mobilisation and demobilisation.

Tower Resources does not presently anticipate a material change in the total cost of the well as a result of this change of rig and neither does it expect the authorities in Cameroon to have any problem with the change in schedule despite the fact that the extension to the first exploration period of the company's production sharing contract expires on 14 September 2019, since the well remains an operation in progress.

In respect of well financing, the company is continuing farm-out discussions with multiple parties who are currently undertaking due diligence, and the company is hoping to bring at least one of these discussions to a conclusion in the near future, bearing in mind both the operational schedule outlined above and also that the company's bridging loan facility agreement falls due for repayment at the end of August, subject to a grace period until 30 September 2019.

Price: 0.375

Market Cap: £4.14 m

1 Year Share Price Graph



December 2018 June 2019 December 2019

Share Information

Code: TRP

Listing: AIM

52 week High Low
1.399 0.3

Sector: Oil & Gas

Website: www.towerresources.co.uk

Company Synopsis:

Tower Resources is building an African-based exploration and production group, which intends to have a balanced portfolio ranging from exploration through appraisal to production, primarily through its own origination of opportunities and their organic development.

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