

Rose Petroleum PLC

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Rose Petroleum restructures Paradox venture to focus on "high priority" targets

Rose Petroleum PLC (LON:ROSE) has revealed a restructuring of its Paradox basin venture which, according to management, is now "better positioned for development".

The company, which itself was recently restructured, highlighted in a statement on Monday that a new agreement with joint venture partner Rockies Standard Oil Corporation (RSOC) allows Rose to focus on a potentially highly economic core acreage position of circa 12,920 acres.

This area is host to 21 "high priority" drill targets representing some 8.3mln barrels of oil equivalent contingent resources, valued at around US\$59mln net to Rose - which would be a significant premium to the current market value of £2.48mln.

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The new agreement also reduces overall costs for maintaining the project and a "immediate ownership" of the highest potential acres.

It detailed, the new agreement enables Rose to gain an immediate 75% working interest ownership and operatorship of key acreage, replacing the earn-in structure in the original agreement with RSOC.

Rose will maintain the original obligation to carry RSOC for a 25% working interest on the first well, and, commits to carry RSOC for a 25% working interest for the acquisition of specific targeted leases in and around the core acreage area, up to a total cost of US\$500,000.

The AIM-quoted firm has terminated its rights for less prospective acreage and has reassigned those rights back to RSOC.

Colin Harrington, who became Rose chief executive in September, today said: "By focusing on highest potential acreage, the company maintains a project of real scale and value while reducing its on-going running costs and extending project term.

"Most importantly, the company will also gain immediate ownership of core acreage and will become operator across the project. I believe this restructuring will make the project more attractive to potential investors as we continue with our farm-in process."

He added: "In the board's view, the high-grading of the project will create a long-term future for the project, one which meets the board's selection criteria and which will positively complement the company's future balanced asset portfolio."

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Price: 0.55

Market Cap: £1.58 m

1 Year Share Price Graph



April 2019 October 2019 April 2020

Share Information

Code: ROSE

Listing: AIM

52 week	High	Low
	2.09	0.5

Sector: Oil & Gas

Website: rosepetroleum.com

Company Synopsis:

Rose Petroleum plc is an AIM listed multi-asset natural resources company with a team of experts that has successfully navigated the political and environmental landscapes in a diverse collection of regions. Its core asset is a substantial oil and gas acreage position, where a 3D seismic survey targeted a major clastic sandstone play in H2 2017.

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