

Columbus Energy Resources PLC

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VSA Capital Market Movers - Columbus Energy Resources

VSA Morning Flow Test, 18/12/19

Columbus Energy Resources (LON:CERP)

Following the announcement in November 2019 of the agreement of a new convertible loan facility, Columbus Energy Resources (CERP LN) has announced that it has drawn down the second of three tranches of US\$1.5m. With the company entering the final stages of drilling at Saffron this will enable to cover any unexpected final costs in the latter stages of drilling and/or move more quickly to monetise a successful result once the results are known.

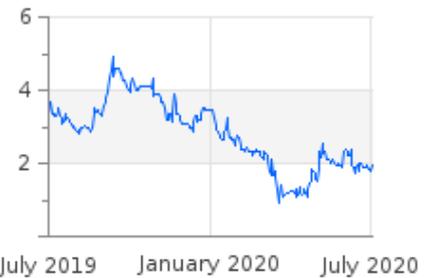
The terms of tranche two are broadly similar and as we highlighted in the initial announcement are attractive for this type of facility. Repayment is over a 24 month period, at US\$74,222 per month in cash or company shares issued at 90% of the then repayment price (or a combination). The lender has the right to convert any loans outstanding into company shares at a fixed price of 130% of the company's 20 day VWAP prior to signature (c.4.4p/sh.). The company has the right to buyback the outstanding balances at any stage during the term without penalty although the lender may convert up to 25% of the buyback into shares at the lower of the repayment price or conversion. The lender has also received 16.9m options at c5.1p.

We reiterate our Buy recommendation and 21.6p target price.

Price: 1.94

Market Cap: £18.14 m

1 Year Share Price Graph



Share Information

Code: CERP

Listing: AIM

52 week	High	Low
	5.1	0.88

Sector: Oil & Gas

Website: columbus-erp.com

Company Synopsis:

Columbus Energy Plc is an international oil and gas exploration, development and production company headquartered in London, trading on the FTSE AIM All-Share.

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