



Pennpetro Energy PLC - PPP Admission to the Official List
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Pennpetro Energy PLC
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For immediate release

21 December 2017

Pennpetro Energy PLC

(Incorporated in England and Wales with company number 10166359)

Admission to the Official List and to Trading on the London Stock Exchange's Main Market

London, 21 December 2017 - Pennpetro, an independent oil and gas company focusing on production in the Gonzales Oil Field in Texas, USA, today announces the admission ("Admission") of 70,900,000 Ordinary Shares of £0.01 in the capital of the Company, at an admission price of £0.25 per Ordinary Share to the Official List by way of a Standard Listing under Chapter 14 of the Listing Rules and to trading on the London Stock Exchange's main market for listed securities.

Highlights

- 70,900,000 Ordinary Shares at an admission price of £0.25 each
- New oil and gas company initially focused on development of leases in the Gonzales Oil Field, Texas
- Located on the historic Austin Chalk and Eagle Ford Shale formations of South West Texas and Louisiana
- 1P working interest in 2,000 Mbbbl of oil and 1,000 MMcf of gas
- Drilling of first 11,000 ft (8,000 ft vertically plus 3,000 ft laterally) well has been completed
- Experienced investment and operational management team

- Positions the group well to pursue an active exploration and appraisal drilling campaign over the next 18 months

Commenting on the Listing, Keith Edelman, Non-Executive Chairman, said:

"We are delighted to have completed the listing of Pennpetro, providing us with the opportunity to progress the Company to its next phase of development. Pennpetro is an ambitious, fast-moving exploration and production company that is operating in the highly prospective Gonzales Oil Field in Texas, USA.

As one of only a few US-focused oil and gas plays listed on the LSE, we look forward to bringing a new investment proposition to UK and international investors. Our medium-to-longer-term aim is to use our position in the market to pursue further growth opportunities and deliver value for existing and future shareholders."

Further information on the Company can be found at www.pennpetroenergy.co.uk.

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Business Introduction

In May 2017, Pennpetro acquired 100% of the issued share capital of Nobel Petroleum UK Limited ("Nobel UK"). Nobel UK owns 100% of the share capital of Nobel Petroleum LLC ("Nobel LLC"), a Louisiana incorporated oil and gas company which acquired in November 2016 a 75% working interest in the City of Gonzales petroleum leases totalling 1,800 net acres from Av-Tech, a local Texas company born out of McRae Energy founded in 1983. Av-Tech has been consolidating the City of Gonzales petroleum leases for a number of years, the objective being to enable the exploitation of the central portion of the Gonzales Oil Field, which the City of Gonzales occupies. The Group has subsequently increased its interest in the City of Gonzales petroleum leases to 2,250 acres. Drilling of an initial well has now finished and is awaiting completion to production. Subsequently, Nobel LLC assigned a 25% working interest in the leases to Sunrise. Following such assignment, Sunrise is now responsible for all costs associated with its working interest.

As at the date of this document, Pennpetro, through its 100% ownership of Nobel LLC, holds a 50% working interest in the City of Gonzales petroleum leases.

According to the Group's Competent Person's Report ("CPR"), prepared by William W. Jackson, Pennpetro has a working interest in 2,000 Mbbbl of oil and 1,000 MMcf of gas, which on future net revenue after costs on a 10% discounted factor, is valued at US\$26.95 million.

Drilling of the initial 11,000 ft well (COG#1-H), which was commenced laterally for some 3,000 feet in addition to a vertical depth of 8,000 feet drilled, has been completed and is ready to be progressed to production. The Group has rights to develop a further seven new wells in the City of Gonzales licence area ("COGLA").

The Company has the rights to develop other petroleum leases, subject to funding (which may include funding from production cash flow from the initial well by either drilling vertical or horizontal wells into the well-known proven productive formations which produce oil from an area surrounding and adjacent to its acquired petroleum leases). The timing of the development of such other leases is expected to become clearer as the development of the initial well progresses. Practically and geologically, the Company has acquired the central portion of an existing oil field. The Company will potentially in the future seek to acquire additional de-risked petroleum assets.

Geological Background

Pennpetro's assets are located in the Austin Chalk formation found onshore in South West Texas and Louisiana, parallel to the Gulf Coast. Austin Chalk is Upper Cretaceous in age (dating from circa 100 to 66 million years ago) and was first developed for oil and gas production in the 1970s. It overlies the Eagle Ford Shale and comprises a low-permeability fractured reservoir that has been

the target for horizontal drilling since the mid-1980s, and consists of interbedded chalks, volcanic ash and marls.

Strategy and Objectives

Pennpetro's intention is to become an active independent North American exploration and production ("E&P") company. The key elements of Pennpetro's strategy for achieving this goal are:

- The creation of value through exploration and appraisal success and operational strengths commencing with the Group's COGLA assets
- Focusing on commercialisation and monetisation of oil and gas discoveries, and potentially utilising cash flows from initial projects (including, subject to further appraisal, COG#1-H) to fund the acquisition or development of future projects
- Active asset portfolio management
- Positioning the Company as a competent partner of choice to maximise opportunities and value throughout the exploration and production lifecycle

The Directors believe that the acquisition of Nobel Petroleum LLC is a major step forward in the Company's objective of establishing itself within the North American upstream petroleum sector. This acquisition has established the Company as a quality independent petroleum entity within a historically leading oil producing area in the United States

Group's Competitive Strengths

The Directors believe that Pennpetro has the following key strengths:

- Proven track record of US management
- Geographically and geologically strong initial asset, in respect of which the Company intends to pursue an active exploration and appraisal drilling campaign over the next 18 months (subject to the appraisal of the results of drilling well COG#1-H and to, amongst other things, financing)
- Control of COGLA oil and gas asset through operatorship and high equity interest
- Strong geoscience expertise coupled with exploration and drilling successes
- Focus on securing attractive commercialisation terms for its oil and gas discoveries
- Proven track record of US management's active portfolio management to optimise capital efficiency, access relevant skills and grow a portfolio of assets

Board of Directors

The Board currently comprises four Directors, who collectively have extensive experience and a proven track record in investment, corporate finance and business acquisition, operation and development, with additional involvement in the upstream petroleum sector, and are well placed to implement the Company's business objective and strategy.

Keith Edelman, Non-Executive Director and Chairman (age 67)

Mr Edelman has extensive retail and international experience, serving on the boards of public companies for over 30 years across a wide range of businesses and markets. He is Executive Chairman of Revolution Bars Group Plc, Senior Independent Non-Executive Director for SuperGroup Plc and the London Legacy Development Corporation. Mr Edelman was previously Non-Executive Chairman of Goal Soccer Centres Plc, Non-Executive Director of Safestore Holdings Plc, Chairman of Beale Plc, Managing Director of Arsenal Holdings Plc and Chief Executive of Storehouse Plc (encompassing BHS and Mothercare).

From 2000 to 2008, Mr Edelman served as Managing Director at Arsenal Football Club, where he was responsible for all commercial and administrative activities at the club, including raising over £380 million of banking facilities. He also managed selling a 10% stake to Granada Media for £77 million and was instrumental in securing sponsorship deals with Nike, valued at £130 million, and Emirates Airlines for over £100 million, including naming rights to the Emirates Stadium.

Mr Edelman became Managing Director of Bank of America Finance after joining in 1978 as Planning Manager, EMEA Division and then Finance Director, UK and Nordic Region.

Mr Edelman graduated from UMIST (University of Manchester Institute Science and Technology) in 1971 with a BSc (Hons) in Management Sciences.

Olof Rapp, Senior Non-Executive Director (age 60)

Mr Rapp joined VistaJet International as Senior Vice President in 2015 after 34 years with Rolls-Royce International and Volvo Truck Corporation. He has significant international management experience, across South America and Asia. His last position at Rolls Royce was as Regional

Director, Malaysia, with overall responsibility for Rolls-Royce's business in Malaysia and Brunei (Civil & Defence Aviation, Marine, Civil Nuclear and Energy) where he represented the company at the highest level. His last position at Volvo was Managing Director of Volvo Malaysia, where he led a successful restructuring of the company.

Mr Rapp studied International Business at IHM Business School and is actively involved in several start-up companies as well as serving as a committee member of the Malaysian Swedish Business Association.

Thomas Evans, Executive Director (age 46)

Mr Evans began his career as a financial executive with Extel Financial Ltd, before moving to equity sales at Barclays de Zoete Wedd Ltd and RBC Dominion Securities Limited. He was director of CIBC World Markets Limited prior to founding Bishopsgate Capital Management Ltd in 2000, which merged with Athanor Capital Partners Ltd. As Chief Investment Officer, Mr Evans expanded the combined entities as FSA regulated permitted businesses. He also established TME Consulting and created a UCITS-compliant umbrella structure to be marketed to both retail and wholesale clients. As CEO and founder of the Caplain Group, he acquired stockbroking and wealth management entities and Aerarius PCC Ltd (Guernsey), a fund structure for European investment strategies.

Philip Nash, Non-Executive Director and Chief Financial Officer (age 46)

Mr Nash qualified as a Chartered Accountant in 1997 and joined Hambros Bank, where he held a number of finance positions in its insurance arm, including Group Financial Controller of Cunningham Lindsey, a leading loss-adjusting group.

In 2001, he joined Arsenal Football Club as Stadium Project Director and played a key role in the Emirates Stadium Project, including raising finance, financial control, project management and commercial activities. From 2008, Mr Nash acted as CFO at Liverpool Football Club and was involved in the sale of the Club to Fenway Sports Group in 2010. In 2014 Mr Nash worked with AIM-listed Rangers International Football Club PLC and raised over £3m from a share issue whilst serving as Interim COO and a Board Director. In 2015, he worked with the British Horse Racing Authority to develop a transformative three year business plan.

Mr Nash holds a Psychology degree from the University of Reading and is a member of the ICAEW.

US Management

Nobel has a full operational team on the ground working from its offices in the City of Gonzales including the following senior personnel:

Butch Jackson

Mr Jackson has extensive industry experience and has been working as an independent Petroleum LandMan for most of the major oil and gas independents and integrated oil concerns within the South Texas petroleum area, such as MJM Petroleum, Superior Minerals, Modern Exploration, Inc., Atlas Oil & Gas and Myrna McLeroy & Associates. With a team of four, Mr Jackson has scouted for most of the premier oil concerns (Marathon, Chesapeake, ConocoPhillips). Ongoing leasing activities include researching land ownership and negotiating with landowners to buy or lease the land for drilling or pumping.

Rick McRae

Mr McRae founded McRae Energy in 1983 working oil and gas in Texas. His team has drilled and participated in over 250 Austin Chalk/Buda wells ranging from 6,000 to 12,000 feet in depth. Approximately 125 of these were horizontal wells. The company owned its own drilling rigs with approximately 200 employees under Mr McRae's management, overseeing some 40,000 acres of leases. Mr. McRae acts as retained consultant and is overseeing the initial drilling activities.

Lou Walters

Mr Walters acts as retained consultant to Nobel, and is CEO of Av-Tech Oil & Gas LLC and the principal owner of Richmond Partnership Limited, a Houston-based investment partnership. Mr Walters is also the Founding Chairman of Browning-Ferris Industries Inc (listed NYSE), Founding Chairman of Tyler Corporation (listed NYSE) and currently serves as Lead Director of Team Industrial Services (listed NYSE). He has undertaken extensive investments within the energy industry and brings in a wide perspective within the energy sector, including as a director of Houston-based Post Oak Bank, NA, which recently acquired the State Bank of Texas. Mr. Walters graduated from the Harvard Business School, MBA class of 1966.

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