

RNS Number : 8305G
Prospex Oil and Gas PLC
10 August 2016

Prospex Oil and Gas Plc / Index: AIM / Epic: PXOG / Sector: Oil and Gas

10 August 2016

Prospex Oil and Gas Plc ('Prospex' or the 'Company')
Update on Kolo Licence, onshore Poland

Placing to Raise £775,000

Prospex Oil and Gas Plc, the AIM quoted investment company, is pleased to provide an update on its investment in the 1,150 sq km Kolo Licence ('Kolo'), onshore Poland where a well remains on track to be drilled on the Boleslaw conventional gas prospect in Q4 2016. Kolo is 100% owned by Strzlecki Energia Sp z.o.o ('Strzlecki'), a wholly owned subsidiary of Hutton Poland Limited ('Hutton') in which Prospex holds a 49% interest. On behalf of the Company, Beaufort Securities successfully raised £775,000 in an oversubscribed placing, the proceeds of which will be used to further support activities at Kolo, if required, as well as provide scope to explore additional investment opportunities and for general working capital.

Prospex has been advised by the directors of Hutton that Strzlecki, the licence holder of the Kolo concession, has entered into a lease agreement with the land owner at the proposed location of the Boleslaw-1 well. The term of the lease is four years with the option to extend this as required as part of a producing gas field development. The next steps will involve pad construction and the securing and mobilisation of the drill rig ahead of the commencement of drilling operations in Q4 2016. Further updates will be provided to the market in due course.

To support its investment in the Kolo Licence and wider strategy to build a portfolio of high impact, onshore and shallow offshore European opportunities, the Company has successfully completed, subject only to admission, a placing to raise approximately £775,000 via the issue of 70,454,545 new ordinary shares at a price of 1.1 pence per share (the 'Placing'). Application has been made for the New Ordinary Shares to be admitted to trading on AIM and dealings are expected to commence on 24 August 2016.

Following the issue of the New Ordinary Shares, the total number of shares in issue is 285,785,836. There are no shares held in treasury, therefore, the total number of voting rights in the Company is 285,785,836. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest under the Disclosure and Transparency Rules.

Prospex non-executive Chairman, Bill Smith, said "Securing the surface access for the proposed drill site at Kolo is a key tangible milestone. With Hutton Poland's team delivering progress on schedule and demonstrating positive engagement with local stakeholders, Boleslaw-1 remains on course to be drilled in Q4 2016. We view this well as being potentially a low risk company maker while AGR describe it as 'a worthwhile and attractive exploration opportunity'.

"The Kolo Licence represents an excellent first investment for Prospex and we were delighted with the appetite for this oversubscribed placing. The funds raised place the Company in a strong position to reach further significant milestones in the development of this asset, as we continue to build a portfolio of high impact onshore and shallow offshore European opportunities with short timelines to production. With this in mind, we are evaluating other investments, specifically undervalued projects where low cost re-evaluation/re-working of historic exploration offer scope for tangible value trigger points and material value uplift for stakeholders within 12 months of acquisition. I look forward to providing further updates on our progress."

* * ENDS * *

For further information visit www.prospexoilandgas.com or contact the following:

Edward Dawson	Prospex Oil and Gas Plc	Tel: +44 (0) 207 887 1461
Katy Mitchell	WH Ireland Limited	Tel: 0113 394 6600
Nick Prowting	WH Ireland Limited	Tel: +44 (0) 207 220 1658
Jay Ashfield	WH Ireland Limited	Tel: +44 (0) 207 382 8300
Jon Belliss	Beaufort Securities Limited	Tel: +44 (0) 207 469 0932
Lucy Williams	Peterhouse Corporate Finance	Tel: +44 (0) 20 7236 1177
Charles Goodfellow	Peterhouse Corporate Finance	
Eran Zucker	Peterhouse Corporate Finance	
Charlotte Heap	St Brides Partners Ltd	
Frank Buhagiar	St Brides Partners Ltd	

This information is provided by RNS
The company news service from the London Stock Exchange

END

MSCEAAPEFLFKEFF