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Prospex Oil and Gas PLC
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Prospex Oil and Gas Plc ('Prospex' or the 'Company')
Commercial Gas Discovery, onshore Romania

Prospex Oil and Gas Plc, the AIM quoted investment company, is pleased to announce that it has been advised by the operator, Raffles Energy S.R.L. ('Raffles'), that a new gas discovery has been made at the Bainen-1 well ('Bainen-1' or 'the Well') in the Exploration Area of the EIV-1 Suceava Concession (the 'Concession' or 'Suceava Exploration'), onshore Romania. Prospex wholly-owned subsidiary PXOG Massey Limited has a 50% non-operated interest in Suceava Exploration, which is located in a proven hydrocarbon basin in North East Romania.

Bainen-1 was drilled to a total depth of 600m and encountered 9m of reservoir with 8m of net gas pay consisting of a good quality Sarmatian sandstone reservoir, similar to that found in fields producing elsewhere in the Concession, as well as in analogue fields in the Bilca Gas Production Area of the adjoining EIII-1 Brodina Block. The two intervals tested by Bainen -1 within the main gas pay zone were perforated at a measured depth of 513.3 to 514.8m and 516.3 to 517.3m. During the final 11-hour test, natural gas containing over 99% methane flowed at a rate of approximately 33,000 cubic metres/day through a 8mm choke.

Bainen-1, which has been completed as a producer, has been put in conservation for a short period until it is connected to the Raffles operated Bilca gas processing plant via a 1,500 metres flowline tie back to the existing production infrastructure. Subject to the receipt of relevant permits and approvals, it is expected that experimental production from the Bainen gas discovery will commence in Q2 2018.

Prospex non-executive Chairman, Bill Smith, said, "To have made a commercial gas discovery with just the second well in which we have participated is, in our view, testament to the quality of the technical work we carry out when evaluating potential projects and also our focus on minimising risk wherever possible. This sees us focus on proven onshore European plays such as Suceava which are close to markets and have excellent access to infrastructure. As well as generating the Company's first production and revenues in the near term, the Bainen gas discovery will provide an excellent platform from which to evaluate the multiple conventional shallow gas prospects and leads that have been identified across the Concession.

"Bainet -1 is just one of two wells in which we are currently participating in. We also have a 17% interest in the Podere Maiar-1d appraisal well in the Podere Gallina Exploration Permit in the Po Valley region of Italy, where ongoing drilling operations are targeting contingent resources (2C) of 17 Bcf. With first production in Romania and drilling results in Italy expected in the near term, we are delivering on our objective to expose our shareholders to value trigger events and I look forward to providing further updates in due course."

Raffles Chief Executive Officer, Dr Doru Morariu, said: "We are delighted to report that a new gas commercial discovery has been made in the Exploration Area of the EIV-1 Suceava Concession. This reconfirms the hydrocarbon potential of the Suceava licence as a proven conventional shallow gas play. The Bainet gas discovery provides an excellent, additional near-term production opportunity for Raffles' growing asset base. Over the coming years, Raffles plans to continue the exploration activities in the Suceava Concession with a petroleum operations programme focussed on the evaluation of a portfolio of shallow gas prospects and the selection of the most prospective candidates for further exploration drilling. A comprehensive work programme and detailed budget for the next 3-year period (2018 to 2020) was developed in conjunction with the expert advice of the National Agency for Mineral Resources ("NAMR") and is already submitted for NAMR approval."

Carlos Venturini, Fellow of the Geological Society of London, Exploration Manager has reviewed and approved the technical information contained within this press release in his capacity as a qualified person, as required under the AIM Rules.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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Notes

Prospex Oil and Gas Plc is an AIM quoted investment company focussed on high impact onshore and shallow offshore European opportunities with short timelines to production. The Company's strategy is to acquire undervalued projects with multiple, tangible value trigger points that can be realised within 12 months of acquisition and then applying low cost re-evaluation techniques to identify and de-risk prospects.

This information is provided by RNS
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