

Jersey Oil and Gas PLC

02:43 27 Jan 2020

Jersey Oil & Gas picks up 70% of Verbier discovery in deal with Equinor

Jersey Oil & Gas Plc (LON:JOG) is increasing its ownership of the undeveloped Verbier oil discovery through a deal with Equinor.

The explorer, which presently holds 18% of the project, has agreed to buy a 70% interest in Licence P2170 from Equinor in return for contingent future payments, tied to potential successes and milestones.

Jersey will pay US\$3mIn to Equinor should a filed development plan be sanctioned by the UK Oil & Gas Authority and a further US\$5mIn will be payable upon 'first oil' from Verbier.

Beyond that, Equinor also retains rights to royalty payments on the first 35mIn barrels of oil produced from Verbier.

READ: Jersey Oil and Gas details Buchan's "significant" oil resources

Verbier folds into Jersey's Greater Buchan Area project - alongside the Buchan, J2 and Glenn discoveries - which is being advanced to a concept selection decision in the third quarter, as a precursor to a farm-out process.

Jersey's chief executive Andrew Benitz said the company is now "well placed" to advance its development plans for the GBA.

"Acquiring further discovered oil volumes enhances JOG's project value considerably and at the same time strengthens our plan to bring Verbier into future production through the GBA development, which is a truly exciting opportunity to showcase what is possible with new developments in the UKCS," Benitz added.

"We are working closely with the OGA and leading contractors to introduce technologies to enable the GBA development to be at the forefront of the energy transition as well as being a new area hub that encourages regional industry collaboration to maximise the economic recovery of resources in this prolific part of the Central North Sea."

Jersey pointed out that it is fully funded through concept selection and into the second quarter of 2021.

Verbier was discovered in October 2017 by an Equinor-led exploration well. The initial well result was positive albeit the discovery's potential scale was pitched in a wide range, of between 25mIn and 130mIn barrels.

A subsequent appraisal well result in April 2019, led to a lowering and narrowing of that range by ultimately reducing estimates down to the bottom of the original estimates.

Evidently, Verbier was no longer deemed by Equinor to be attractive as a standalone project, however, as one element in the wider GBA, the Verbier asset continues to be significant to AIM-quoted Jersey.

Price: 82.2779

Market Cap: £17.96 m

1 Year Share Price Graph



October 2019 April 2020 October 2020

Share Information

Code: JOG

Listing: LSE

52 week	High	Low
	199.1	45.05

Sector: Oil & Gas

Website: www.jerseyoilandgas.com

Company Synopsis:

Jersey Oil and Gas ("JOG") is an independent oil and gas company focused on upstream operations in the UK North Sea. Jersey Oil and Gas is a London listed UK E&P company focused on building its position in the UK North Sea.

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Jersey Oil and Gas PLC named herein, including the promotion by the Company of Jersey Oil and Gas PLC in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).