

Jersey Oil and Gas PLC

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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.

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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: 84.5

Market Cap: £18.45 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.

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