

# Coro Energy

## Italian asset disposal and Bulu acquisition update

Coro Energy has provided an update on both the disposal of its non-core Italian assets and its Bulu PSC acquisition offshore East Java. Coro has entered into a conditional sale and purchase agreement with Zenith Energy for the disposal of its entire Italian portfolio for a consideration of £3.9m paid in new Zenith Energy shares. An initial consideration of £0.4m will be paid on completion of the deal and the rest is subject to certain production targets. Coro also announced the parties in the Bulu PSC continue to progress the transfer of the 42.5% participating interest in the PSC to Coro. With the acquisition not completed by the 2 December 2019 long-stop date due to a delay in receipt of approvals, the parties are now negotiating a further six-month extension.

Year-end	Revenue (\$m)	EBITDA (\$m)	PBT* (\$m)	Cash from operations (\$m)	Net (debt)/cash (\$m)	Capex (\$m)
12/18**	0.0	(3.5)	(3.5)	(12.7)	9.4	(1.0)
12/19e	0.0	(5.5)	(8.1)	(8.2)	(12.6)	(12.7)
12/20e	0.0	(4.6)	(4.6)	(4.6)	(69.1)	(51.9)

Note: \*PBT normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. \*\*FY18 actuals reported in euros; FY18 not yet restated in US\$ and consequently FY18/19 estimated figures include some Edison assumptions.

Disposal of the Italian portfolio will allow Coro to focus on its South-East Asian assets. The initial £0.4m consideration will be settled through the issue of 6.7m new Zenith shares. The remaining £3.5m will be deferred, subject to the Italian portfolio achieving an average production of 100,000scm/d over four months. In the first six months of 2019, production averaged 40,000scm/d, but Zenith expects to reach 113,000scm/d following a series of interventions during the next six to nine months. Completion of the deal is conditional on the resolution being passed at the General Meeting and the approval of the Italian Ministry of Economic Development. The Italian assets net book value in H119 amounted to \$1.8m.

Coro also announced that, although it was progressing the transfer of the 42.5% participating interest in the Bulu PSC, the receipt of approvals was delayed beyond the long stop date of 2 December 2019. The parties are negotiating a further six-month extension to the long-stop date to accommodate the additional time required for approvals to be received and intend to enter this extension as soon as is practicable.

Assets update

Oil & gas

4 December 2019

**Price** 2.03p

**Market cap** £16m

US\$/1.23£

Net debt (\$m) at 30 June 2019 7.4

Shares in issue 789.6m

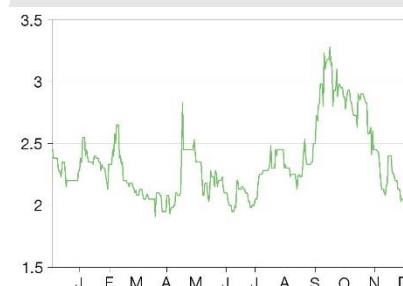
Free float 61%

Code CORO

Primary exchange AIM

Secondary exchange N/A

### Share price performance



### Business description

Coro Energy is an upstream oil and gas company with a focus on South-East Asia. It targets discoveries that require commercialisation and have exploration upside, with a focus on gas assets.

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