

Aim-quoted investment firm Prospex Oil & Gas has acquired a foothold in Romania's oil and gas industry with the acquisition of an interest in the EIV-1 Suceava concession.

Prospex bought 50% of the concession, which is located in north-east Romania, for €750 000 and entered into a joint operating agreement with Romanian gas producer Raffles Energy, which owns the balance of the concession.

The acquisition consists of an exploration area, which has an undeveloped discovery and a number of prospects. The Grancesti SE-1 discovery flowed gas at a rate of 1.2 MMscfpd/d over a limited short test from the Sarmatian reservoir at a depth of about 550 m.

Prospex has committed to provide up to €550 000 for its share of the second-half-of-2017 work programme, which the company said on Thursday would require a capital raising, most likely through new equity.

"Suceava ticks all the boxes we look for in a project: located in a proven hydrocarbon region of Europe; access to historic data including well logs that are fit for purpose; long pipeline of robust leads and prospects; near-term value triggers in the form of new drilling; established routes to market; and low cost, both in terms of the acquisition itself and drilling," nonexecutive chairperson Bill Smith said in a statement, announcing the acquisition.

He added that Prospex was keen to build a portfolio of interests in Romania, citing the country's established oil and gas industry, good infrastructure, and supportive regulatory and fiscal regimes. "The presence of operators of the calibre of Exxon Mobil, Repsol, OMV and Lukoil in Romania, in our view, is testament to this."

Source: miningweekly