

Jersey Oil and Gas PLC

07:42 05 Jan 2016

Jersey Oil & Gas hives off North Sea exploration area

Jersey Oil & Gas (LON:JOG), formerly TrapOil, has agreed a deal to offload its 50% stake in a UK North Sea exploration area.

It comes as part of the re-launched company's efforts to reshape its oil business.

The deal, with Azinor Catalyst Ltd, allows Jersey to avoid its share of costs of future exploration work. It could also receive future cash payments if Azinor Catalyst's exploration efforts are successful.

Andrew Benitz, Jersey Oil & Gas's chief executive, said: "In line with our stated strategy, Jersey Oil & Gas is actively managing and de-risking its existing exploration portfolio and this transaction ensures that the company maintains exposure to the potential upside from this licence, at no further cost to the company."

Azinor Catalyst is acquiring 100% of Seaward Production Licence P.1989 Blocks 14/11, 12 & 16 from Jersey subsidiary Trap Oil Limited and its partner Norwegian Energy Company (Noreco).

It commits to carrying out work obligations for the licence area, including drill-or-drop commitments in respect of one exploration well.

Moreover, if an exploration well in the future encounters 20 metres or more of net-pay (vertically) with hydrocarbon saturation greater than 60% then Jersey and Noreco will each be due a US\$2mln payment.

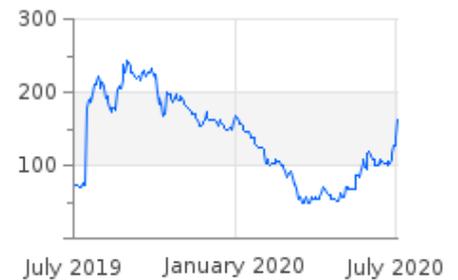
A further US\$2mln payment would also be due if a field development plan, relating to that well, is approved by the UK authorities.

Jersey's recently adopted strategy is to target and acquire interests in producing North Sea assets where the company can benefit from already accrued tax losses, which are in the order of £25mln, whilst at the same time reducing exposure to its legacy exploration interests.

Price: 161

Market Cap: £35.15 m

1 Year Share Price Graph



Share Information

Code: JOG

Listing: LSE

52 week High Low
328 45.05

Sector: Oil & Gas

Website: www.jerseyoilandgas.com

Company Synopsis:

Jersey Oil and Gas is a British independent North Sea focused upstream oil and gas company, driving shareholder value through creative deal making and operational success. To view the latest AGM updated and narrated corporate presentation which includes answers to certain questions submitted by shareholders ahead of the meeting please [click here](#) .

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