

Regulatory Story

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Great Eastern Energy Corp Ltd - GEEC
Reserves and Customer update
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Great Eastern Energy Corporation Limited ("Great Eastern" or "the Company")

Reserves and Customer update

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Following the publication of this announcement, this inside information is now considered to be in the public domain.

Great Eastern Energy Corporation Limited (LSE: GEEC), the fully integrated, leading Indian Coal Bed Methane (CBM) Company, is pleased to announce updates in its reserves and resources at its Raniganj (South) license block, which has been provided by the independent reserve engineers, Advance Resources International, Inc. (ARI).

Reserve Classification System		As on	As on	% Change	Total Future Net Revenues (\$M)	
		30-Apr-16	31-Jul-17		Undiscounted	Discounted at 10% per annum
		(Gross)	(Gross)			
Reserves (BCF)	1P	354.20	336.00	(5.1%)	2,037.00	675.50
	2P	517.20	510.80	(1.2%)	3,073.00	965.90
	3P	594.70	594.70	0%	3,535.10	1,076.70
Contingent Resources (BCF)	1C	375.70	397.10	5.7%	2,463.90	253.20
	2C	590.80	600.30	1.6%	3,786.80	385.20
	3C	701.40	704.40	0.4%	4,464.40	448.70
OGIP (TCF)	Best Estimation	2.62	2.62	-	-	-

As announced earlier, the Company had focused on production optimization work which yielded positive results. Due to further drilling not taking place, some reserves have been marginally shifted to contingent resources. However, the total recoverable gas remains unchanged.

- 1P plus 1C increased 0.4% to 733 BCF (730 BCF in April 2016)
- 2P plus 2C increased 0.3% to 1111 BCF (1108 BCF in April 2016)
- 3P NPV 10%* of \$ 1.07 billion, and undiscounted at \$ 3.53 billion
- Original-Gas-In-Place reconfirmed as 2.62 TCF

* Net present value at a discount rate of 10%

Customer update

Further to the announcement on 3 August 2017, wherein a gas sale and purchase agreement (GSPA) was entered into with a customer for supplying gas, the said customer has violated the GSPA by not paying our invoices amongst other violations. The Company has always fulfilled its obligations under the GSPA.

In accordance with the GSPA, arbitration proceedings have commenced between the Company and the customer. However, if the customer pays all the outstanding invoices of the Company and complies with all the terms of the GSPA, the Company is committed to fulfil its obligations under the GSPA. Since the matter is sub-judice, the Company has been legally advised not to comment further on the matter at this point.

The Company holds a cash security deposit of Rs. 224,595,000 (~\$ 3.5 million) from this customer. Excluding the said cash security deposit, the Company expects revenue for the year ending on March 31, 2018 at ~\$ 37 million, EBITDA of ~\$ 22 million, and EPS pre MTM/DTE** of ~\$ 5.6c. (Broker forecast: Revenue of \$ 43.40 million; EBITDA of \$ 24.60; EPS pre MTM/DTE of \$ 5.4c.)

** MTM (Mark to Market) is on account of the restatement of the foreign currency loans; DTE (Deferred Tax Expense) is on account of difference in depreciation rates used for financial accounts and tax accounts and other expenses like exchange fluctuation / MTM

About the Company

The Company is a fully integrated gas production, development and exploration company in India, providing gas to the growing industrial region of West Bengal. Gas is being produced (Coal-Bed Methane gas) from the Raniganj (South) license area, which covers 210 sq. km, with 2.62 TCF of Gas-in-Place.

The Company's second asset is the Mannargudi license situated in the state of Tamil Nadu in India, which covers an area of 667 sq. km and 0.98 TCF Gas-in-Place.

For further information please visit www.geecl.com

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