

# Regulatory Story

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**Great Eastern Energy Corp Ltd - GEEC**  
Half-year Results  
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## **Great Eastern Energy Corporation Limited** ("Great Eastern" or "the Company")

### **Half Year Results for the six months ended 30 September 2017**

Great Eastern Energy Corporation Limited (LSE: GEEC), the fully integrated, leading Indian Coal Bed Methane (CBM) Company, is pleased to announce its half year results for the six months ended 30 September 2017.

#### **Highlights:**

##### **Operational and Corporate:**

- H1 FY 2018 average production increased 25.6% to 19.50 mmscfd (H1 FY17: 15.52 mmscfd)
- H1 FY 2018 average sales 9.53 mmscfd (H2 FY 2017: 9.20 mmscfd; H1 FY 2017: 8.22 mmscfd)

	<b>H1 FY 2018</b>	<b>H1 FY 2017</b>
Average Price (Rs./scm)	Rs. 21.76	Rs. 21.36
Average Price (\$/mmbtu)*	\$ 10.64	\$10.05

*\*Pricing is based in Rs.*

*The Indian rupee gained by 3.85% over the year (Rs. 66.95 / \$ to Rs. 64.37 / \$)*

- As announced on 3 August 2017, the Company has commenced supplies from 31 August 2017 to the new customer.

#### **Financials for H1 FY 2018:**

As previously announced, lower revenue, EBITDA, and cash generation reflect the continued operational issues at one of the Company's largest customer's plants which still remain unsolved.

Due to this, the adverse impact on revenue and pre-tax cash generation is US\$ 4.24m and US\$ 3.90m respectively.

With the new customer commissioned, the Company has achieved an increase in sales, besides curtailing the adverse impact.

	<b>April 2017 - September 2017</b>	<b>September 2017</b>
Sales	US\$ 2.77m / month 9.48 mmscfd	US\$ 4.43m 14.78 mmscfd

- Total revenue US\$ 16.63m [H1 FY 2017: US\$ 13.50m]
- EBITDA US\$ 8.79m [H1 FY 2017: US\$ 5.85m]
- Cash generation US\$ 2.11m [H1 FY 2017: US\$ 0.14m]
- PBT pre MTM / DTE\* US\$ (0.02)m [H1 FY 2017: US\$ (2.16)m]
- PAT pre MTM / DTE\* US\$ (0.02)m [H1 FY 2017: US\$ (2.16)m]
- PAT pre MTM\* US\$ 0.62m [H1 FY 2017: US\$ (1.54)m]
- PAT post MTM / DTE\* US\$ (1.29)m [H1 FY 2017: US\$ (1.19)m]
- The Company has a net debt of US\$ 89.76m as at 30 September 2017 with a debt:equity ratio of 1.17

*The Indian rupee gained by 3.85% over the year (Rs. 66.95 / \$ to Rs. 64.37 / \$)*

*\* 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*

#### **Outlook:**

- Further accelerate production at Raniganj (South) block
- New gas pipeline of GAIL providing connectivity to Kolkata expected to be in place by 2019

#### **Prashant Modi, Managing Director & CEO of Great Eastern, said:**

"The revenues and sales volume continue to show good growth. We have a focused plan to maximise production with our current portfolio of acreage as well as pursuing a further drilling program and new opportunities. With the continued growth of the Indian economy and stable government policies, we expect the demand to grow even further."

## 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](http://www.geecl.com)

### For further information please contact:

#### Great Eastern Energy

Yogendra Kr. Modi  
Prashant Modi

Executive Chairman  
Managing Director & CEO

+44 (0)20 7614 5917

#### Arden Partners

Steve Douglas  
William Vandyk

+44 (0)20 7614 5900

## Chairman's Statement

With the Government of India committed to developing a gas based economy, the demand supply dynamics for the Indian market and pricing environment provide the Company attractive opportunities. The industry got a fresh impetus with the new exploration policy.

The Board is confident that the overall state will remain robust for the foreseeable future.

Total revenue stood at US\$ 16.63m in H1 FY 2018, while EBITDA was US\$ 8.79m for the first six months of FY 2018. The Company has a net debt of US\$ 89.76m as at 30 September 2017 with a debt:equity ratio of 1.17.

The Company has been able to achieve substantial increase in its sales since September 2017, while maintaining the free market price of gas.

Great Eastern has contributed towards improving the environment in this area with the use of clean energy. Additionally, it has engaged actively with the local community and raised its quality of life by organising medical camps, health initiatives and sports which have been widely appreciated.

The Company continues to deliver on its optimisation programme and drive future growth through increasing the production at the Raniganj (South) Block.

The Company's second asset Mannargudi license is situated in the state of Tamil Nadu, southern India and covers an area of 667 sq. km with 0.98 TCF Gas-in-Place. The block is currently under Arbitration with the Government.

India is embarking on a high trajectory growth with investor friendly policies in place, thereby providing us with one of the most attractive markets.

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