

Regulatory Story

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Great Eastern Energy - GEEC
Half Year Results
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Great Eastern Energy Corp Ltd
07 November 2019

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement

7 November 2019

Great Eastern Energy Corporation Limited

("Great Eastern" or "the Company")

Half Year Results for the six months ended 30 September 2019

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 2019.

Financials for H1 FY 2020:

	H1 FY 2020		H1 FY 2019
		On constant currency basis	
Revenue	\$ 19.21m	\$ 19.62m	\$ 20.71m
EBITDA	\$ 11.15m	\$ 11.39m	\$ 12.69m
Exceptional item (One time write off)	-	-	\$ (0.77)m
PAT pre MTM / DTE*	\$ 3.74m	\$ 3.82m	\$ 3.91m
Cash Profit	\$ 6.18m	\$ 6.31m	\$ 7.07m
EPS** pre MTM / DTE	\$ 3.10c	\$ 3.20c	\$ 3.30c
Cash EPS**	\$ 5.20c	\$ 5.30c	\$ 5.90c
Net Debt	\$ 62.97m	\$ 61.36m	\$ 73.28m
Net Debt : Equity Ratio	0.71	0.71	1.09

Price (\$/mmbtu)***	\$ 10.40	\$ 10.62	\$ 10.60
Sales (mmscfd)	10.91		11.56

* 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

** Per GDR

*** Pricing is based in Indian rupee ("INR")

- Company's revenue impacted by mild deceleration in industrial growth and the steel sector as a result of the general economic climate; however, a recent increase in consumer demand, as indicated by festival season turnover, suggests that economic conditions are improving.
- India remains the third largest energy consumer in the world in 2019 and continues to place priority on developing a gas-based economy.
- As announced in May 2019, all the pumps were replaced by June 2019, leading to a 17% increase in average production to 16.60 mmscfd in the second half of October 2019.

May 2019 Average Production	16-31 October 2019 Average Production	Change
14.13 mmscfd	16.60 mmscfd	2.47 mmscfd

- Shale gas and CBM reserves and resources in the Raniganj (South) block (as announced on November 15, 2018):
 - **OGIP of 6.13 TCF (best estimate) / 9.25 TCF (high estimate)**
 - **3P + 3C + 3U is 2,988.40 BCF (2.99 TCF)**
 - **Undiscounted value of \$13.78 billion**
 - **Discounted value of \$4.31 billion**
- The Company is in the process of obtaining final approvals and expects to commence initial shale gas exploration work by drilling core wells soon thereafter. Subject to the results obtained and positive analysis from the core wells, the Company intends to drill an optimum number of pilot production wells.
- India LNG imports for September 2019 were 4.9% higher than September 2018 and the cumulative imports for April to September 2019 were 7.9% higher than April to September 2018.
- According to Wood Mackenzie, "India's gas demand is expected to double to 75 bcm by 2030. LNG will account for half of this demand, or equivalent to 10% of today's global LNG market".
- It has been reported by the Government that \$58 billion will be invested in E&P activities by 2023 in India, while another \$60 billion will be put in creation of natural gas infrastructure such as cross country common / contract carrier pipelines, LNG import terminals, and city gas distribution networks by 2024.

- A major validation of the potential of the Indian gas market has been the recent decision by Total, the French oil and gas major, to expand its partnership with the Adani Group to create major gas downstream infrastructure in order to capture the rising demand for gas.
- The Indian Prime Minister, Honourable Narendra Modi, while visiting the Kingdom of Saudi Arabia to attend the third edition of the Kingdom's high-profile annual financial conference, said, "By 2024, we aim to invest \$100 billion in refining, pipelines, gas terminals. I am happy that Saudi Aramco has decided to invest in West Coast Refinery Project, which will be the largest refinery in Asia".
- GAIL (India) Limited's upcoming "Jagdishpur - Haldia & Bokaro - Dhamra pipeline" is expected to be operational by December 2020. This will provide the Company access to the huge market of Kolkata and also to the wider State of West Bengal.

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

"Revenue and sales volume have largely remained resilient, despite a slowdown in the growth rate of the Indian economy in the current financial year.

We have a focused plan of further optimising production, as well as pursuing further exploration. With the steps being taken by the government to accelerate the growth of the Indian economy, demand for hydrocarbons in India will continue to grow, as is evident from the rising imports."

Click on, or paste the following link into your web browser, to view the associated PDF document:

http://www.rns-pdf.londonstockexchange.com/rns/5595S_1-2019-11-6.pdf

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About the Company

A fully integrated gas production, development and exploration Company in India. Gas is being produced from the Raniganj (South) block in West Bengal, which covers 210 sq. km with 9.25 TCF of Original Gas-in-Place. The Company's second license is the Mannargudi block in Tamil Nadu, which covers 667 sq. km with 0.98 TCF of Original Gas-in-Place.