



RNS Number:
Victoria Oil & Gas PLC (AIM:VOG)
27 February 2015

Victoria Oil & Gas Plc
("VOG" or "the Company")

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 NOVEMBER 2014

Victoria Oil & Gas Plc, the Cameroon energy utility company, today announces its unaudited interim results for the six months ended 30 November 2014.

Financial Highlights

- Revenue for the period of \$11.6 million (six months to 30 November 2013: \$6.0 million; twelve months to 31 May 2014: \$14.7 million)
- EBITDA net of RSM arbitration/impairment adjustments of \$1.4 million (six months to 30 November 2013: \$0.2 million; twelve months to 31 May 2014: \$5.8 million loss)
- Revenue during the period was derived from the Logbaba gas and condensate field in Cameroon:
 - gas sold was 716mmscf (six months to 30 November 2013: 323mmscf; twelve months to 31 May 2014: 809mmscf)
 - condensate produced was 13,221bbls (six months to 30 November 2013: 5,335bbls; twelve months to 31 May 2014: 14,107bbls)
- Capital Reorganisation, including 40 to 1 share consolidation
- West Medvezhye – decision taken to fully impair asset, write down of \$49.8 million

Operational Highlights for Accounting Period and to Present

- Gas to power proof of concept established – first customer installations June 2014
- Pipe laying and network infrastructure work outsourced under a cost per metre fixed price agreement from July 2014
- Completions of first thermal gas connections on the Bonaberi shore in December 2014 after the gas pipeline network was extended under the Wouri River
- Legally binding term sheet signed with ENEO Cameroon S.A. ("ENEO") to supply two major power stations under a two year minimum 'take-or-pay' contract at a fixed price of \$9/mmbtu
- Successful remediation of Well La-106 and perforation in the upper horizons of Well La-105
- Gas pipeline to two ENEO power stations completed and successfully tested
- Total pipeline laid in Douala to date 31.3km
- \$17.0 million of cash received from RSM Production Corporation post period end

Corporate

- Appointment of two Independent Non-Executive Directors with significant industry experience
- Appointment of Numis Securities as sole broker

Kevin Foo, Executive Chairman, said: "The VOG and GDC teams excelled during 2014 and achieved all our stated objectives. I am proud to confirm that GDC has substantially completed its scope of work for the ENEO project construction phase and safely built and tested gas pipelines to both stations. We have issued a completion certificate for the Bassa power station and expect to complete the Logbaba power station within two weeks. The project is scheduled to be online by the end of Q1 2015 and if this is achieved, as we expect, it will represent a remarkable success for the GDC, ENEO and Altaaqa teams. Progressing from signing legally binding terms sheets in late December 2014 to delivering 50MW to the grid approximately three months later is outstanding.

Concerning our 100% owned Russian property, West Medvezhye, we have continued to pursue ways to derive value for this asset, through farm-out, joint venture or sale. West Medvezhye has significant gas and gas condensate reserves but the current state of relations between Russia and the West, combined with a low oil price, makes near-term development of the asset challenging and we believe divestiture is a more prudent course. With our focus on Cameroon, the Board has taken the decision to fully impair the Russian asset, writing it down by \$49.8 million. We shall of course continue to seek partners to derive full value from the asset.”

For further information, please visit www.victoriaoilandgas.com or contact:

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Notes to Editors

About Victoria Oil & Gas Plc

Victoria Oil & Gas (VOG.L) is a gas utility company with operations in the industrial port city of Douala in Cameroon, which is the business hub to Central Africa.

The Company's subsidiary, Gaz du Cameroun S.A. (“GDC”), supplies cost effective, clean and reliable gas to industries in the Douala region from its onshore Logbaba Gas Project. Industrial customers are primarily supplied with gas through a 31.3km pipeline network built by GDC in Douala. GDC products currently include thermal gas, gas condensate and gas for electricity generation. GDC gas is attractive to customers due to its reliability, price competitiveness, low hydrocarbon emissions (compared to Heavy Fuel Oil) and adaptability to meet varied power requirement needs.

The Company generates cash flow from the Logbaba Project which is 60% owned and managed by GDC, with RSM Production Corporation, an affiliate of Grynberg Petroleum Company of Denver, Colorado holding a 40% participating interest.

VOG also holds 100% of the West Medvezhye oil and gas exploration project near Nadym, Russia. The field has C1 plus C2 reserves of 14.4mmboe (under the Russian resource classification system, analogous to proven and probable reserves under Western conventions) in addition to best estimate prospective resources of 1.4bboe.

Cameroon Energy Market

Cameroon is a stable African country that is host to a developing economy serving most of Central Africa with goods and services. A power deficit remains a major hindrance to Cameroon's economic expansion. The power grid is reliant on hydroelectric dams to supply 75% of power and the shortfall is made up from heavy fuel oil and gas. Hydroelectric dams are highly seasonal, with stream rates significantly varying from 6,000m³ per second in the wet season to 50m³ per second in the dry season. As with many hydro electrical systems transmission loss is also a constant issue when balancing power loads across distances to different consuming regions. The port-city of Douala is the major industrial zone within Cameroon and it requires high levels of consistently delivered grid power all year round. Currently Cameroon's energy demand is growing at 7% annually and gas is seen as a key element to Cameroons national energy strategy.