

RNS Number:
Victoria Oil & Gas PLC
17th January 2014
(AIM: VOG)

Victoria Oil & Gas Plc
(“VOG” or “the Company”)

XAF 4,800,000,000 Loan and Customs bond with BGFIBank, Cameroon

Highlights

- XAF 4,000,000,000 (USD8.3m) loan to facilitate immediate new customer connections comprising:
 - Dangote Cement priority pipeline work
 - Installation of electricity generation sets (“Gensets”) with contracted customers
 - 6 month loan period renewable once and convertible to a 3 year term loan
 - 7.25% interest (annualised)
- XAF 800,000,000 (USD1.7m) Customs bond supporting the waiver of duty on the temporary imports of the Gensets
 - Agreement with the Customs Agency of Cameroon (“Cameroon Customs”) that no duty to be paid for 12 month period on Gensets
 - At end of 12 month period an automatic one year extension can be requested or equipment re-exported

Victoria Oil & Gas Plc, the emerging African energy utility company, is today pleased to announce that it has signed a loan agreement and Customs bond facility between its Cameroonian operating subsidiary, Gaz du Cameroun S.A. (“GDC”), and BGFIBank (“BGFI”) of Cameroon.

The principal facility of XAF 4,000,000,000 (USD8.3m) (“the Facility”) will be deployed by GDC to fund its share of near-term revenue producing customer connection work. This includes pipeline extensions for recently signed Dangote Cement and will also support the installation of Gensets to customers such as Guinness, Icrakon, Camlait and SCTB. The Facility is for an initial term of 6 months, which is renewable once on the same terms for a further 6 month period, with interest payable at a rate of 7.25% per annum. It can then be converted into a 3 year term loan re-payable in 36 monthly instalments at the same interest rate.

The second facility agreed with BGFI is for a 12 month XAF 800,000,000 (USD1.7m) Customs bond (“the Bond”) to be provided to Cameroon Customs in support of the temporary import of the Gensets, which have recently been released to GDC following the grant of a temporary import licence by the Ministry of Finance and reduction in the applicable duty payable. The Bond allows GDC to import the Gensets without payment of import duty for a period of one year from release. At the end of the year, GDC can apply for an automatic 12 month extension of this exemption, or the Gensets can be re-exported without payment of the duty.

Kevin Foo, Chairman said; “The provision of local finance to local businesses in Cameroon is crucial for industrial growth and I am delighted to see how BGFI, a leading African Bank, has stepped up to support GDC in this phase of our business. I am also very pleased that this facility has been initiated and closed entirely by our local GDC team.”

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

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