

MINING FLASHNOTE

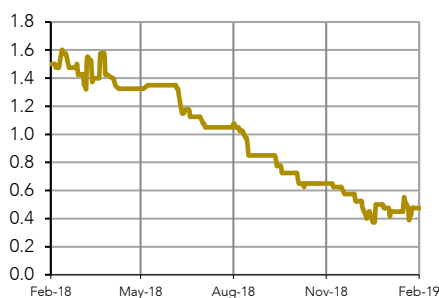
Oracle Power PLC (ORCP AIM)

01 February 2019

Stock Data

Share Price:	0.475p
Market Cap (M):	£5.4
EV (M):	£5.3

Price Chart



52 Week Range

0.375p | 0.475p
1.775p

Company Summary

Oracle is an AIM listed coal developer with a primary interest in the Thar Coalfield Block VI area located in the Sindh Province of South-Eastern Pakistan. The company's intention is to develop a 4.5Mt pa coal mine and mine mouth 7000MW power station, and then expand the project to 9Mt pa of coal and 1,400MW of electricity.

MAIN SHAREHOLDERS HOLDING

Brandon Hill Capital / OWG	22.36%
Power Equity Investments	13.47%
Sindh Koela Limited	8.38%
Nazario Consultancy	5.44%

Source: Oracle Power & Bloomberg

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Oracle Announces Pro-Rata Funding Through to Financial Close

Event

Oracle Power PLC ("Oracle") has announced that it has entered into an agreement for the provision of US\$2.5M pre-development project funding under its Memorandum of Understanding ("MOU") signed on 19 December 2018 with Beijing Jingneng Power Company Limited ("BJPC") and PowerChina International Group Limited ("PowerChina").

The funding is to be provided by the parties to the MOU in proportion to their intended shareholding, i.e.

	Intended Equity %	US\$ M
BJPC	78%	1.95
Oracle	12.1%	0.30
PowerChina	9.9%	0.25

It is expected this funding will be sufficient to meet all project costs up to financial close, the details of which were provided in the company's Operational Update, announced on 18 January 2019, although the Company highlights there is the potential for its Chinese partners to provide additional capital on the same terms in the event it is required.

Comment

This is the most positive news from Oracle for a long time. With the Chinese partners confirming their intention to contribute to the US\$2.5M pro-rata with their holdings, the project is now expected to be funded through to financial close. More importantly for Oracle, it has significantly removed the upfront financial burden to move the project to financial close which would have arisen if sole funded by the Company. Finally, we view a decision by the Chinese partners to commit their own capital at this stage is a substantial and positive development. With 'skin in the game' we view the odds of Oracle reaching the game-changing financial close have improved drastically in Oracle's favour.

The Consortium is now planning the detailed work, as described in the Operational Update of 17 January 2019. Block VI is a project of both national and international significance, evidenced by its inclusion on the Priority List of the China Pakistan Economic Corridor (CPEC). Oracle has witnessed strong support from both the Pakistan and Chinese Government Authorities over recent months and are eager to bring the Project to first financial close and ultimately completion to help meet the vital energy needs of Pakistan.

Research Disclosures

Peter Rose

Peter has 32 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 11 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

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Research disclosure as of 01 February 2019

Company Name	Disclosure
Oracle Power PLC (ORCP AIM)	1,2, 7, 8, 9

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