

Flash note

1 June 2009

Gasol

Year End	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
02/08	0.0	(0.4)	(0.1)	0.0	N/A	N/A
03/09e	0.0	(4.0)	(0.5)	0.0	N/A	N/A
03/10e	0.0	(4.0)	(0.4)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding goodwill amortisation and exceptional items

Investment summary: Further funding secured

Today Gasol announced a £10m standby equity agreement with GEM. It will use these funds, together with the £1m in new equity announced on 27 May, for working capital and to fund its continuing development activities. This potentially covers the company's requirements for 2009 (£4m) and beyond.

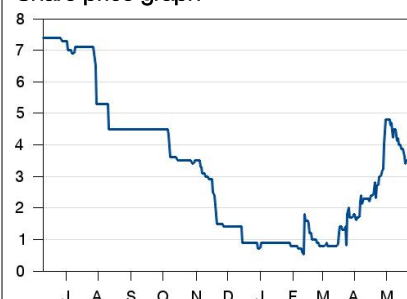
Gasol is an early opportunity play in the gas value chain in the Gulf of Guinea, gathering previously marginal gas reserves in sufficient quantities to justify LNG and export to the lucrative markets of Europe and elsewhere.

The funding now secured is in two parts:

- As announced on 27 May, equity shareholders African Gas Development Corporation (AfGas) and Afren (at present holding 50.8% and 21.3%, respectively) will provide £1m in equity – AfGas £750,000, and Afren £250,000 – at a price of 3.55p per share. Gasol will also issue to AfGas and Afren 40m two-year warrants with an exercise price of 4.375p, a 25% premium to the closing price on 22 May 2009.
- Global Emerging Markets Fund (GEM) is providing a £10m standby equity distribution agreement (SEDA) over three years – the third SEDA we have seen in the sector in recent months. In terms of the agreement, Gasol determines the timing of the call and maximum amounts of drawdown. Gasol may (solely at its option) draw down funds in tranches, requiring GEM to subscribe to ordinary shares at a 10% discount to the average closing price over the prior 15 days. Gasol will also issue 20m warrants to GEM exercisable over a five-year period.

Price 4.0p
Market Cap £41m

Share price graph



Share details

Code GAS
Listing AIM
Sector Oil & Gas
Shares in issue 1,029.33m

Price

52 week High Low
10.0p 0.4p

Business

Gasol is an Africa-focused gas independent. The company aims to monetise gas reserves in sub-Saharan Africa by aggregation, liquefaction and shipment to high-value markets worldwide.

Analysts

Simon Smith 020 3077 5700
ssmith@edisoninvestmentresearch.co.uk
Alessandro Pozzi 020 3077 5727
apozzi@edisoninvestmentresearch.co.uk

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Lincoln House, 296-302 High Holborn, London, WC1V 7JH ■ tel: +44 (0)20 3077 5700 ■ fax: +44 (0)20 3077 5750 ■ www.edisoninvestmentresearch.co.uk
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