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Paternoster Resources PLC
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Paternoster Resources plc

("Paternoster" or the "Company")

Joint venture to develop North African oil opportunities

Paternoster Resources plc (AIM: PRS), an investment company focused on the natural resources sector, is pleased to announce that it has entered into an agreement (the "Agreement") with Littoral Oil and Gas Limited ("Littoral"). Littoral is an oil and gas investment company whose principals are experienced in North Africa. Littoral and Paternoster plan to jointly evaluate, acquire and develop oil and gas assets, initially in Algeria. This Agreement is in line with Paternoster's strategy of investing to create companies that can acquire and secure material assets, and then progress as independent entities.

Littoral has already spent the past 12 months evaluating existing subsurface data over the areas where assets will now be sought. Paternoster has incorporated a new company, to be known as Atlas Oil and Gas Limited ("Atlas"), registered in England and Wales. Under the terms of the Agreement, Paternoster shall hold 90% of the ordinary shares in Atlas, with Littoral holding 10%.

Using Paternoster's corporate experience and Littoral's North African expertise, we will work together to acquire assets in known, hydrocarbon-producing basins. All licenses secured by Atlas will be held in a special purpose vehicle, to be incorporated in an appropriate jurisdiction.

Algeria has been selected as an initial focus in North Africa on the basis of its stability, contract terms and excellent infrastructure. Atlas will focus on undeveloped discoveries and shut-in fields within proven petroleum basins. The operational emphasis will be on leveraging technology to keep production costs down, with a quicker path to production and revenues.

It is anticipated that minimal funds will be required to assess the attractiveness of an asset prior to deciding whether to make an investment. Paternoster expects to fund these activities through existing resources.

Nicholas Lee, Chairman of Paternoster, commented:

"This is a great opportunity for Paternoster to get a foothold in the exciting North African oil sector, with partners who have a good deal of experience in the region.

Through working with Littoral, Paternoster will be able to identify assets in North Africa at an early and low cost stage and then, as appropriate, position them to move rapidly up the

valuation curve whether through public or private markets as the Company has done with a number of its other investments."

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