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Paternoster Resources PLC
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PATERNOSTER RESOURCES PLC
"Paternoster" or the "Company"

Quarterly Update to 31 December 2014

Paternoster Resources (AIM: PRS), the investing company focused on the natural resources sector, is pleased to provide a quarterly update to 31 December 2014.

The key unaudited performance indicators are set out below.

COMPANY STATISTICS	31 December 2014	30 September 2014
Net asset value	£2,758,784	£2,662,191
Net asset value per share (fully diluted)	0.39p	0.43p
Closing share price	0.245p	0.26p
Share price premium/(discount) to net asset value	(37%)	(40%)
Market capitalisation	£1,648,502	£1,502,000

The Company's total net asset value has increased by 3.6% over the last quarter, however, this does not include the significant recent increase in the share prices of Plutus PowerGen plc and MX Oil plc. Net assets per share has reduced slightly as a result of the placing that took place at the end of the quarter offsetting the overall increase in net assets.

The Company's principal investments are as follows:

Investment	Ticker	Shares held
Unlisted/pre IPO		
Elephant Oil Limited	-	1,185,770
Andiamo Exploration Limited	-	640,000
Bison Energy Services Limited	-	Loan notes
Listed special situations		
Metal Tiger plc	AIM:MTR	27,000,000
MX Oil plc	AIM:MXO	8,600,000

Plutus PowerGen plc	AIM:PPG	94,300,000
Shumba Coal Limited	BOT:SHU SEM:SHCL	2,500,000
North American Petroleum plc	ISDX:NAPP	24,352,356

The balance of the portfolio principally comprises cash and investments in highly liquid companies including Rio Tinto plc, Cairn Energy plc and Ophir Energy plc. As at 31 December 2014, the value of cash and these investments amounted to £559,681.

During the quarter there have been some significant developments with a number of the Company's investments:

Andiamo Exploration Limited

The final set of assay results from the systematic trenching programme were completed on the Yacob Dewar deposit located within the Haykota exploration concession area, Eritrea. This final set of assay results confirms that near surface high-grade gold and oxide copper mineralisation exists within the Yacob Dewar deposit, further demonstrating that it has the potential to become a commercial mine. The next step is for the company to proceed with a technical feasibility study.

Metal Tiger plc

During the quarter, Metal Tiger plc has made significant progress. It has announced four new agreements with new partners, providing the company with interests in Thailand, Spain and Tanzania and exposure to minerals including gold, tungsten, tin and uranium and with scope to expand into further countries and minerals. The company has also revised its strategy and, in addition to investing directly into projects, it will also seek to invest in attractively priced companies in the natural resources sector where it believes that it can make significant returns. An example of this is the recent investment in Kibo Mining plc where it has already realised a return of over five times its original investment.

MX Oil plc

The Mexican government has now approved rules for the first part of Bid Round 1 that will be focused on shallow-water exploratory blocks. Setting these guidelines is the latest step in Mexico's move to allow foreign companies to own and produce oil, ending a 76-year-old state monopoly. MX Oil's joint venture with Geo Estratos has been actively reviewing a number of target blocks and discussions are continuing with companies interested in partnering with the joint venture that would enhance the joint venture's likelihood of success in the bidding process. Furthermore, the terms of the joint venture have recently been amended to improve MX Oil's position and to better align the partners' interests. We believe that the company is now well positioned to secure assets in the upcoming bidding process.

Plutus PowerGen plc

Plutus PowerGen plc is focused on the development, construction and operation of flexible stand-by electricity generation in the UK. It has recently secured an exclusive agreement for Enterprise Investment Scheme funding with Rockpool Investments LLP ("Rockpool"). Rockpool, is a network investment firm that offers private investors the chance to invest directly in private companies using HMRC sanctioned tax relief schemes such as the Enterprise Investment Scheme. Rockpool is proposing to provide the equity component to fund the construction of a total of 200MW of flexible energy generation in the UK. This would amount to a total of £34 million of equity. This arrangement represents a significant milestone for Plutus PowerGen plc as this would provide the equity funding element for its entire three-year plan for the building of generation capacity. The balance of the funding will be through asset-backed financing. Notwithstanding the quantum of fund raising, this structure will result in no equity dilution at the Plutus PowerGen plc shareholder level. This development has resulted in a significant increase in the company's share price.

North American Petroleum plc

The company's combination with Northcote Energy Limited has now become unconditional and the enlarged group has raised over £1.4 million in order to repay certain existing financing obligations and provide working capital to fund the next phase of the group's development. Paternoster will therefore effectively be exchanging its shares in North American Petroleum plc for new shares in Northcote Energy Limited This will significantly enhance the liquidity of the investment as it will now be listed on AIM as opposed to ISDX. A further update will be provided to shareholders following completion of the transaction and receipt of the new shares in the enlarged Northcote Energy Limited.

In December 2014, Paternoster also raised gross proceeds of £242,250 via a placing of 95,000,000 new ordinary shares at a price of 0.255 pence per share, a 7.5% discount to the then prevailing market price. As a consequence, the Board is very pleased to welcome a number of investors as new shareholders in the Company. We continue to focus on taking meaningful positions in companies that have significant potential for capital growth. We are increasingly seeing attractive opportunities where we believe Paternoster can add value and funds raised from the placing will better position us to take advantage of these situations.

Nicholas Lee, Chairman of Paternoster, commented:

"Overall this has been a very active quarter for our investments, resulting in both increased liquidity and value for several of our portfolio companies. This was achieved despite the difficulties currently prevailing in the natural resources sector. The declines in commodity prices in recent months are widely considered as cyclical and therefore temporary. Consequently, we are seeing an increasing number of investment opportunities and so, given our cash position, we see this as an opportune time to add to our portfolio. We are also confident that a number of our investments still have significant potential for

further growth and we look forward to providing shareholders with further updates in the near future."

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