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

Investment in Elephant Oil Limited and appointment of Non-Executive Director

Paternoster is pleased to announce an investment in Elephant Oil Limited ("Elephant"), an oil and gas exploration and production company focused on West Africa, and the appointment of a new Non-Executive Director.

Investment in Elephant Oil

Paternoster has agreed to subscribe for 1,185,770 new ordinary shares in Elephant, representing 5.5 per cent. of Elephant's enlarged share capital at a price per share of 25.3 pence, for an aggregate consideration of £300,000.

Elephant is an oil exploration company holding a 100% interest in the production-sharing contract ("PSC") on Block B, onshore Benin, on the prolific West Africa Transform Margin. The block covers 4,500 km² or two-thirds of the coastal basin and is one of only two onshore blocks that have been made available by the government of Benin.

There are a number of major oil companies with a presence in the surrounding area including Tullow, Lekoil, New Age, Afren and Anadarko. Furthermore, Hunt Oil, Shell, and Petrobras are planning to drill wells in the area by the end of 2014.

Elephant has already acquired a high-resolution aero gravity gradiometry survey, covering the entirety of Block B. Fieldwork and geophysical interpretation have also been completed which have already identified a number of prospects. Preparations are now underway for a new 2D seismic acquisition programme that will be used to select the optimal location for the first exploration wells onshore in Benin.

Benin is located between Nigeria and Togo on the west coast of Africa. It is one of Africa's most stable democracies. Benin has seen economic growth over the past few years and is a major cotton producer, however, it is still relatively underdeveloped. In terms of oil opportunities, discoveries in Benin's Seme field and the adjacent Nigeria Aje fields, the latter being next door to the major oil discovery by Afren and Lekoil in OPL 310, point to the hydrocarbon potential of the area.

Elephant's strategy is to build a portfolio of low risk and low cost early stage exploration assets in Africa. The company is already in active negotiations regarding licences in other countries in order to expand its portfolio.

Appointment of Non-Executive Director

The Board is also pleased to announce the appointment of Matt Lofgran, 39, as a Non-Executive Director of Paternoster. Matt is a founding director of Elephant and also the CEO of Nostra Terra Oil and Gas Company plc ("Nostra Terra") (AIM:NTOG) which is an oil and gas exploration and production company in the USA, listed on AIM. Prior to becoming CEO of Nostra Terra in June 2009, he was with Robson Energy, LLC, as Vice President of International Business Development, launching the oil and gas, field services and coal divisions, including being responsible for extending Robson Energy's activities into Mexico.

As part of his appointment, Matt Lofgran will be granted 20 million options under the Paternoster share option scheme. These will be exercisable at a price of 0.26 pence per share and will vest in equal tranches over the next three years.

Nicholas Lee, Chairman said: "Elephant is at a very exciting stage of its development, having already secured a PSC in Benin which is in the middle of a prolific oil region in West Africa. The plan is not only to progress the development of this licence but to also use Elephant as a platform for the acquisition of other licences in the region.

I am also very pleased that Matt has agreed to join the board, not only to assist with the development of Elephant but also to identify other investment opportunities for Paternoster. He has an excellent track record at Nostra Terra."

Matt Lofgran added: "I am very pleased to be joining the board of Paternoster. The Company already has a portfolio of interesting investments and I see a number of exciting opportunities on the horizon for the Company."

Additional information:

Matthew Blaine Lofgran, aged 39, holds no shares in Paternoster Resources plc, and other than that as set out below and the options which are being granted to him as part of his appointment, there is no further information to be disclosed under schedule 2(g) of the AIM Rules in respect of Mr Lofgran's appointment today as Non-Executive Director.

Mr Lofgran is, or has been, a director of the following companies during the previous five years:

Current Directorships: Nostra Terra Oil and Gas Company plc, Elephant Oil Limited.

Previous Directorships in the last five years: None

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