

Strata-X Energy Ltd. to Farm-in to 273,000 acre Botswana CSG Project

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Funding for 1st Year Appraisal Programme Successfully Secured

HIGHLIGHTS

- Heads of Agreement entered into for Strata-X to earn up to 75% of the Serowe Coal. Seam Gas ("CSG") Project in the Kalahari Basin CSG fairway in Botswana, Africa.
- Botswana rated as an attractive investment destination.
- Strata-X will operate the Project covering two licenses spanning 273,000 acres.
- The Project has a mean estimate of 1075 PJ of recoverable prospective resource net to Strata-X's interest.
- There are immediate and expanding domestic southern Africa energy markets.
- MHA appointed advisers and certifiers.
- Secured commitments for A\$2 million private placement at A\$0.05 per CDI/share following a 3 for 1 share consolidation.

DENVER and BRISBANE and VANCOUVER - November 14, 2016 - The directors and management of [Strata-X Energy Ltd.](#) ("Strata-X" or the "Company") (TSX VENTURE: SXE) (ASX: SXA) are pleased to announce that it has entered into a heads of agreement with Magnum Gas and Power Ltd ("Magnum") (ASX: MPE) for a staged farm-in to earn up to 75% of the Serowe CSG project located on the Kalahari Basin CSG Fairway in Botswana, Africa. Strata-X will operate the Project, which spans approximately 273,000 acres and has certified 1075 PJ of recoverable Prospective Resources (1)

The Republic of Botswana is one of the oldest democracies in Africa becoming independent in 1966. It has a long-standing rule of law and the lowest rate of corruption in Africa. The geography of the Project area is predominantly flat with good road access. There is a growing demand for power in the country and in neighboring countries which offers immediate and expanding domestic gas markets. These factors, combined with a 3 % government royalty on produced gas, makes Botswana one of the more favorable economic settings in the world. More information on the Farm-In can be found in Strata-X November 2016 Presentation, available at www.strata-x.com.

THE FARM-IN TERMS

Strata-X has entered into a Heads of Agreement with Magnum containing the key commercial terms of the proposed farm-in. Legally binding long form agreements in respect of the farm-in to the Serowe CSG Project are expected to be finalized and entered into between the parties within the next 2 weeks. The proposed farm-in is in three stages and the Company has up to 3 years to complete all stages, with each stage earning the company a 25% working interest in the Serowe CSG Project. The first stage will begin in January of 2017 and will involve the desorption analysis of 3 CSG core wells as required for continued gas resource certification. In addition, one well will be completed and production tested.

Stage 1 is a firm commitment and is estimated to cost A\$1.1 million dollars. Stages 2 and 3 are optional and the decision to proceed to these stages will be based on the results of the prior stages. Stages 2 and 3 are estimated to costs approximately A\$1.5 million and A\$3.5 million, respectively depending on the success of new completion and production methods to be trialed.

The final 25% working interest is earned when 100 PJ of 2P reserves are certified for the project, which is a sufficient quantity of gas for a Gas Sales Agreement (GSA) to supply a 50-megawatt government owned corporation power station, which may be located near the Serowe CSG Project.

ADVISERS AND CERTIFIERS APPOINTED

MHA Petroleum Consultants, Denver, Colorado, recognized expert in CSG, have been appointed the Company's CSG advisers and certifiers. MHA has certified mean recoverable Prospective Resource of 1075 PJ net to Strata-X for the Serowe CSG Project(1) and will continue to advise on the appraisal and development of the Project.

PLACEMENT TO SOPHISTICATED INVESTORS TO RAISE MINIMUM OF A\$2 MILLION

To fund Stage 1 of the farm-in and obtain working capital, the Company has engaged Bizzell Capital Partners Pty Ltd ("BCP") as lead manager who has secured firm commitments for a private placement to sophisticated investors of 40,000,000 CDIs at A\$0.05 per share for gross proceeds of A\$2,000,000 (the "Placement") subject to legally binding long form agreements being entered into in respect of the farm-in to the Serowe CSG Project and any necessary shareholder approvals. Each CDI will represent one common share of Strata-X and will rank equally with existing CDIs. All CDIs issued pursuant to the Placement are to be tradeable and listed on the Australian Securities Exchange. The Company has also reserved the right to take oversubscriptions of up to a further A\$500,000 (10,000,000 CDIs).

Subject to shareholder approval, Strata-X directors will subscribe for a minimum of A\$350,000 of the Placement. BCP, the Lead Manager to the Placement has also committed to subscribe for a minimum of A\$200,000 of the Placement.

To ensure compliance with TSX Venture Exchange capital raising requirements, the Board of Directors of the Company have approved a consolidation of the common shares of the Company (the "Shares") on the basis of one (1) post-consolidated Share for every three (3) pre-consolidated Shares (the "Consolidation"). The Consolidation is subject to the approval of the TSX Venture Exchange and the ASX.

The Placement is expected to close in two tranches, subject to completion of the Consolidation and also legally binding long form agreements being entered into in respect of the farm-in to the Serowe CSG Project in the Kalahari Basin CSG fairway in Botswana, Africa. The first tranche of A\$435,000 will be completed using the Company's current placement capacity under the ASX Listing Rules and will settle immediately post the Consolidation which is expected to occur 29 November 2016. The second tranche of a minimum of A\$1.565 million is subject to receipt of shareholder approval at the Company's Annual General Meeting ("AGM") to be held on December 9, 2016. This tranche and any oversubscriptions accepted by the Company is expected to close within 3 days of the AGM.

As part of its Lead Manager fee, BCP (or its nominees) are to be issued 5 million options exercisable at A\$0.07 and with a term of three years.

Details of Share Consolidation

The capital structure of the Company post-Consolidation will be as follows:

	Current	Post-Consolidation
Shares (including CDI's)	176,325,585	58,775,195
Quoted options (being options over CDI's)	7,283,125	2,427,709
Unquoted warrants/options	16,622,850	5,540,951

Where the consolidation of a shareholders holding results in an entitlement to a fraction of a Share, the fraction will be rounded up to the nearest whole number.

Options over CDI's will be consolidated in accordance with their terms and conditions and Listing Rule 7.22.1 (as applicable) on the basis that the number of options will be consolidated in the same ratio as the share consolidation and the exercise price will be amended in inverse proportion to the ratio. After the consolidation, there will be 2,427,709 quoted options over CDI's having an exercise price of A\$0.36 and an expiry date of 31 January 2017.

For the purposes of CDI's listed on the ASX, the timetable for the consolidation relating to these CDI's is set out below:

Item Date (Australian time)

Company announces that the Board has resolved to undertake the consolidation, including the CDI's
Tuesday 15 November 2016

Last day for trading in pre-consolidation CDI's Wednesday 16 November 2016

Trading in the post-consolidation CDI's on a deferred settlement basis starts Thursday 17 November 2016

Last day for entity to register transfers of CDI's on a pre-consolidation basis.

Friday 18 November 2016

First day for entity to register CDI's on a post-consolidation basis and first day for issue of holding statements. Monday 21 November 2016

End of trading in post-consolidation CDI's on a deferred settlement basis. Friday 25 November 2016

Trading of CDI's starts on a normal T+2 basis Tuesday 28 November 2016

The Company will notify the market if there is any change to this timetable.

For more information on the Project, Botswana and the Placement, and please refer to the Strata-X website (www.Strata-X.com).

About Strata-X

Strata-X is a Denver, Colorado (USA) based company and is engaged in the business of oil and gas exploration and development with a variety of exploration opportunities in California, Illinois and Western Australia. Strata-X has 58,775,195 common shares outstanding and trades under the symbol "SXE" on the TSX-V and "SXA" on the ASX.

(1) Prospective Resources figures are from an audit report prepared by MHA Petroleum Consultant dated 26 October 2016 following their audit of the available technical data including the geological interpretation, information from relevant nearby wells, analogous reservoirs and the proposed program for the Project, prepared and presented to MHA by Strata-X. Stated Prospective Resource figures are Best Estimate -- undiscovered natural gas quantities and net of a 6% royalty and are shown at a 75% working interest in the Project that Strata-X will only earn upon completing the farm-in program. For additional information see Strata-X November 2016 Presentation.

This announcement was made in Canada for the TSX.V and in Australia for the ASX.

Public documents for Strata-X Energy Ltd. can be found at SEDAR (Canada) (www.sedar.com) and ASX.com.au (Australia).

CAUTIONARY STATEMENT By definition of the COGE Handbook - "Undiscovered resources are those quantities of oil and gas estimated on a given date to be contained in accumulations yet to be discovered." Further the Handbook states - Caution (per NI 51-101/5.9(2)(v)(B)) - "There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources." In addition, per NI 51-101/5.6 "the estimated values disclosed do not represent fair market value."

This news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", and similar expressions are intended to identify forward-looking statements. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected and the forward-looking statements included in this news release should not be unduly relied upon. See "Risks and Uncertainties" in the Company's Filing Statement dated 27 September 2016 available on SEDAR at www.sedar.com These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Contact

David Hettich
720-463-2403
dhettich@strata-x.com

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