# Decklar Resources Inc. Announces Letter of Intent to Participate in the Emohua Field in OML 22 in Nigeria

06.10.2021 | GlobeNewswire

CALGARY, Oct. 06, 2021 - Decklar Resources Inc. (TSX-V: DKL) (OTCQX: DKLRF) (FSE: A1U1) (the "Company" or "Decklar") announces the entering into of a non-binding Letter of Intent to purchase all of the issued and outstanding ordinary shares of Westfield Exploration and Production Limited ("Westfield"), a Nigerian entity that has entered into a Risk Finance and Technical Services Agreement ("RFTSA") with Erebiina Energy Resources Limited ("Erebiina") to participate in the Emohua Field in Nigeria, located in OML 22, which is 6 km west of Port Harcourt.

The Emohua Field

The Emohua Field, which was recently awarded to Erebiina (60%) and the balance (40%) to other local Nigerian entities in the 2020/2021 Marginal Field Bid Round, is situated onshore on dry land terrain in the southeastern section of OML 22 in the Eastern Niger Delta area. The Emohua Field is situated approximately 6 km west of the city of Port Harcourt in Rivers State and approximately 30 km west of the Oza Field, which Decklar is currently developing. The Bonny Oil Export Terminal and Bonny LNG plant are located approximately 50 km south of the Emohua Field.

The Emohua Field was formerly operated by Shell Petroleum Development Company of Nigeria Limited ("SPDC"). It was awarded to Erebiina by the Federal Government of Nigeria in 2021 as part of the Marginal Field Program.

One well (Emohua-1) was drilled by Shell Production Development Company ("SPDC") in 1979 to a depth of 11,050 ft and encountered oil and gas in several stacked reservoirs. The well was suspended by SPDC as an oil and gas discovery. Data available includes 3-D seismic acquired in 2000/2001 and wireline log data. Petrophysical analysis showed the presence of nine hydrocarbon bearing zones ranging from 20 ft to 70 ft thick. Seismic interpretation also shows upside potential in the deeper undrilled/untested zones where potential closures exist.

The next planned stages for development of the Emohua Field include re-entering the existing Emohua-1 well, drilling and completion of up to nine additional wells, installation of production and export facilities, and construction of flowlines. The Emohua Field can potentially be placed on production in an expedited manner immediately after the re-entry of the Emohua-1 well due to existing oil and gas export pipelines being located within 5 km of the well.

The full field development plan will include the expansion of the processing facilities to enable handling and processing of up to 30,000 barrels of crude per day for the expected peak production levels.

Letter of Intent between Westfield and Decklar

Decklar and Westfield have signed a non-binding letter of intent with respect to the proposed acquisition by Decklar (the "Transaction") of all of the issued and outstanding ordinary shares of Westfield (the "Westfield Shares"). Westfield has separately entered into an RFTSA with Erebiina in respect of the 60% equity interest that was awarded to Erebiina for the Emohua Field. Further, Decklar is aware that Westfield is seeking to enter separate RFTSAs with one or more parties in relation to the remaining 40% interest in the Emohua Field.

The Transaction terms include a cash payment of US$7 million, which has already been paid as a deposit to

be credited against the final purchase price, and the issuance of up to 6,000,000 common shares of Decklar ("Decklar Shares") as consideration for the acquisition of all the issued and outstanding Westfield Shares. In the event Westfield enters into additional RFTSAs in respect of the remaining 40% interest, up to an additional 2,500,000 Decklar Shares will be issued to the shareholders of Westfield. The specific terms of the Transaction remain under negotiation, and the Transaction will be structured, and definitive agreements entered into following the review and consideration of applicable tax, securities, corporate law, and other relevant considerations and shall be subject to the mutual agreement of Decklar and Westfield, acting reasonably. The Letter of Intent shall terminate with Decklar and Westfield having no further obligations to each other under the agreement upon mutual written agreement to terminate or by either party if definitive agreements have not been entered into by November 30, 2021. The Transaction will be subject to customary conditions precedents to completion, including, if applicable, approval of the TSX Venture Exchange.

Duncan Blount, CEO of Decklar Resources, remarked "the Emohua Field has the potential to be a significant addition to the Decklar portfolio. This field is located close to the Nigerian oil industry service city of Port Harcourt. Additionally, similar to our other fields, Emohua has a considerable infrastructure advantage with existing oil and gas export pipelines in close proximity. This will allow Decklar to use an Early Production Facility ("EPF") after the Emohua-1 re-entry well as part of a fast-track development plan to realize near-term cash flow. This field also has significant upside in terms of reserves and production from the previously discovered nine hydrocarbon-bearing zones. In addition to the Oza and Asaramatoru Fields, the Emohua Field marks the third field that Decklar has acquired an interest in - and by following a similar strategy, we look forward to advancing all of these high quality proven undeveloped fields."

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

*Cautionary Language*

*Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable Canadian securities legislation), including entering into definitive agreements in respect of the Transaction and satisfaction of conditions precedent to completion of the Transaction. All statements in this news release, other than statements of historical facts, are forward-looking statements. Such statements and information (together, "forward looking statements") relate to future events or the Company's future performance, business prospects or opportunities. There is no certainty that definitive agreements in respect of the Transaction will be entered into, or that any conditions precedent contained therein will be satisfied on terms satisfactory to the parties or at all.*

*All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect, "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward-looking*

*statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.*

*The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.*

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Die URL für diesen Artikel lautet:
https://www.rohstoff-welt.de/news/395817--Decklar-Resources-Inc.-Announces-Letter-of-Intent-to-Participate-in-the-Emohua-Field-in-OML-22-in-Nigeria.html

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