



## OPHIR ENERGY PLC

### Completion of sale of 20% interest in Blocks 1, 3 and 4 to Pavilion Energy

London, 24th March 2014: Ophir Energy plc ("Ophir" or "the Company") is pleased to announce that the transaction reported on 14 November 2013 to sell a 20% interest in Blocks 1, 3 and 4, Tanzania to Pavilion Energy has now completed.

The company has received cash of US\$1,255million reflecting the purchase price consideration of US\$1,250million plus a completion adjustment of US\$5million to reflect interest and working capital movements since the effective date of the transaction of 1 January 2014. A further US\$38 million is payable following the final investment decision in respect of the development of Blocks 1, 3 and 4, currently expected in 2016.

A tax liability will be incurred on the transaction in Tanzania. The timing of the payment will be finalised after discussion with the relevant tax authorities. Net proceeds after tax from the transaction are expected to be ca. US\$1.0bn based on Management estimates. This estimate will be subject to finalisation of the 2013 and 2014 corporate tax returns which impact the basis of the calculation with respect to allowable losses arising from brought forward and current year expenditure.

The proceeds from this transaction will support our forward plans which includes investing in a number of new opportunities that are under consideration and have transformational growth potential. This is in addition to having the flexibility to rapidly capitalise on any exploration success from the forward drilling programme which is well funded from our existing cash resources.

Management remain committed to maximising and delivering returns to shareholders and the Board continues to monitor closely the capital needs of the business and the appropriate level of cash liquidity.

#### **Nick Cooper, CEO, commented:**

*"We are delighted to welcome Pavilion Energy into the Tanzanian LNG development across Blocks 1, 3 and 4. The partial monetisation of our interests is in keeping with Ophir's strategy of minimising exposure to development capex and realising the value created from exploration success at the appropriate time"*

**ENDS**

#### **FOR FURTHER ENQUIRIES PLEASE CONTACT:**

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#### **Notes to Editors**

Ophir Energy (OPHR.LN) is an African focused, upstream oil and gas exploration company which is listed on the London Stock Exchange (FTSE 250). Ophir has an extensive deepwater acreage position in West and East Africa acquired since its foundation in 2004.

The Group's headquarters are located in London (England), with an operational office in Perth (Australia), and regional offices in Dar es Salaam and Mtwara (Tanzania), Malabo (Equatorial Guinea), Libreville (Gabon) and Nairobi (Kenya).

For further information on Ophir, please refer to [www.ophir-energy.com](http://www.ophir-energy.com)