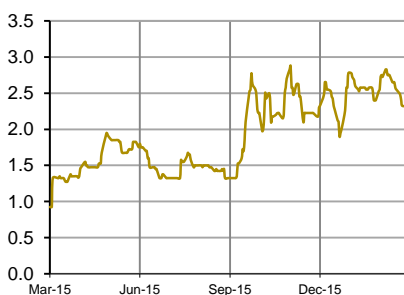


# Oracle Coalfields Plc (ORCP AIM)

## Stock Data

Share Price:	2.325p
Market Cap (M):	£21.2
EV (M):	£19.37

## Price Chart



## 52 Week Range

0.925p	<b>2.325p</b>	2.875p
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## Company Summary

Oracle is an AIM listed coal developer with a primary interest in the Thar Coalfield Block VI area located in the Sindh Province of South-Eastern Pakistan. The company's intention is to develop a 4Mt pa coal mine and mine mouth 600MW power station.

## MAIN SHAREHOLDERS HOLDING

Brandon Hill Cap	26.60%
OWG PLC	13.25%
Generale Investment	7.96%
Jarvis Investment	5.11%
Quilter Cheviot LTD	4.22%
Hargreaves Lansdown	4.00%

Peter Rose

Tel: +44 (0)20 3463 5034

Peter.Rose@brandonhillcapital.com

www.brandonhillcapital.com

## Extension of IRR Arrangement and Increased Investment in Subsidiary

### Event

Oracle Coalfields plc ("Oracle") has announced that the Energy Department, Government of Sindh, Pakistan has issued a notification for the extension of the applicability of US\$ based 20% Internal Rate of Return ("IRR") to all coal mining projects, based on indigenous Thar coal, to the companies which achieve Financial Close before 31st December 2016.

### Comment

This is an important announcement as the guaranteed IRR of 20% originally only applied to projects that had financial closure by the 31<sup>st</sup> December 2015. We specifically made mention of this in our initiation report, commenting that should financing be secured after that date, these government incentives could not be guaranteed.

It demonstrates the government enthusiasm to attract more investors to overcome the acute power shortage in Pakistan. Oracle is confident that the fiscal incentives, inclusive of 20% IRR, shall be the operational policy of the government and, if the need be, the Company can ask, on the expiry, for the required extensions of the applicability.

Oracle also announced that following the recent rights issue by its subsidiary Sindh Carbon Energy Limited ("SCEL"), Oracle has increased its equity interest in SCEL from 80% to 98%. The additional shares have been secured by converting the amount equivalent to £600,000 of the Company's loan to SCEL. In the year ended 31st December 2015, SCEL had gross and net assets of approximately £2,382,000 and £6,400 respectively, and made a loss of approximately £4,800. The project development is proceeding and an increase in Oracle's equity in the increased paid up capital of SCEL will add further to the investment value of Oracle in the project, with a correspondent increase in the asset value of SCEL.

## Research Disclosures

### Peter Rose

Peter has 29 years' experience in equities as a resources analyst; he has been at Brandon Hill Capital for 7 years, after having spent 11 years with Deutsche Bank in Australia. Prior to this he spent 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, six of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy and a chartered engineer.

**Tel: +44 (0)20 3463 5034**

**Peter.Rose@brandonhillcapital.com**

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<b>Trading Buy</b>	Recommendation implies that the analysts' expected total return over the short term compared against the target price is positive.
<b>Hold</b>	Recommendation implies that expected total return of between 15% and zero is expected over 12 months between current and analysts' target price.
<b>Trading Sell</b>	Recommendation implies that the analysts' expected total return over the short term compared against the target price is negative.
<b>Sell</b>	Recommendation implies that expected total return expected over 12 months between current and analysts' target price is negative.

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Research disclosure as of 29 March 2016

Company Name	Disclosure
Oracle Coalfields PLC (ORCP AIM)	1,2, 7, 8, 9

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## Brandon Hill Contact List

### International Sales

**Oliver Stansfield**

Tel: +44 20 3463 5061

Email: [oliver.stansfield@brandonhillcapital.com](mailto:oliver.stansfield@brandonhillcapital.com)**Alex Walker**

Tel: +44 20 3463 5018

Email: [alex.walker@brandonhillcapital.com](mailto:alex.walker@brandonhillcapital.com)

### Research

**Peter Rose**

Tel: +44 20 3463 5034

Email: [peter.rose@brandonhillcapital.com](mailto:peter.rose@brandonhillcapital.com)**William Arnstein**

Tel: +44 20 3463 5020

Email: [william.arnstein@brandonhillcapital.com](mailto:william.arnstein@brandonhillcapital.com)

### Corporate Finance & Broking

**Jonathan Evans**

Tel: +44 20 3463 5016

Email: [jonathan.evans@brandonhillcapital.com](mailto:jonathan.evans@brandonhillcapital.com)**Wei Jiao**

Tel: +44 20 3463 5019

Email: [wei.jiao@brandonhillcapital.com](mailto:wei.jiao@brandonhillcapital.com)**Robert Beenstock**

Tel: +44 20 3463 5023

Email: [robert.beenstock@brandonhillcapital.com](mailto:robert.beenstock@brandonhillcapital.com)