

Oracle Power PLC

AIM

ORCP

Share Price (30/03/18)

1.43p

Mkt Cap(m)

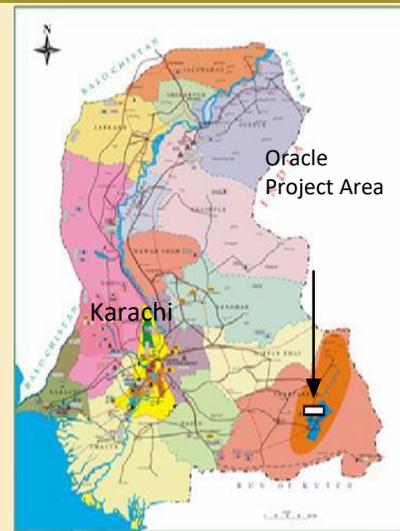
£14.2

Oracle Power PLC is a UK energy developer of a combined mine (4mtpa) and mine-mouth supercritical power plant (700MW) located in Block VI of the Thar desert in the south-east of the Sindh Province of Pakistan .

- The Company aims to develop Pakistan's largest coal mining and power plant project in the private sector to help meet the country's shortfall in electricity generation.
- The project has been included in the China-Pakistan Economic Corridor (CPEC) which grants Oracle the ability to request access to the \$62bn pool of funding.
- The Pakistani Government allows a 20% IRR (in US\$ terms) for Thar based coal projects, and an 18%IRR (in US\$ terms) for the power plant.
- World class JORC resource of 1.4bn tonnes lignite coal

Thar Coalfield

- The Thar Coalfield is located 380km from Karachi and covers a total area of 9,100 square km with a total lignite coal resource in excess of 175bn tonnes.
- It is in close proximity to established infrastructure, with ongoing development of road and power networks in the region.
- The quality of lignite coal gives an average heating value of 3,182 kcal/kg, with high moisture, low ash and sulphur content of less than 1%.
- The depth of the coal seam makes Block VI amenable to opencast mining.
- Block VI Thar Coalfield has a JORC calculated resource of 529 million tonnes covering an area of 20km² under a two phased programme.



Next steps:

- Our work in 2018 will concentrate on formalising detailed agreements with our Chinese partners including securing of the financing for their share of the project and all debt, whilst Oracle will work with the relevant Government bodies with regards to permissions, licences and other approvals that need to be obtained.
- From 2019-2022 work will proceed to open up the mine, in parallel with the construction of the power plant. Coal production and delivery of electricity should commence in 2022.



Pakistan

- There is an acute power shortage in the country.
- The Government is promoting the use of domestic coal from Thar as an alternative to imported oil, gas and coal.
- Domestic coal is to become increasingly important as a source of cheap energy for Pakistan as the population continues to grow at a rapid rate.
- In 2014-2015 less than 0.1% of the power sector was domestic coal; this is expected to rise to 17% by 2025.
- The Pakistani Government offers major tax exemptions, as well as 20% IRR (in US\$ terms) for Thar based coal projects, and an 18% IRR (in US\$ terms) for the power plant.

China-Pakistan Economic Corridor (CPEC)

- The CPEC has been set up to improve economic ties between China and Pakistan, where China intends to invest \$62 billion to support infrastructure and energy projects in Pakistan.
- It will not only transform Pakistan's economy but provide China with open trade routes to the Indian Ocean.
- Oracle's Thar Block VI project is listed as a Priority Project under CPEC.



Financing risks are reduced through engaging with well-financed parties, to provide both debt and equity financing.

