

Oracle Coalfields PLC

AIM

ORCP

Share Price (20/06/16)

2.98p

Mkt Cap(m)

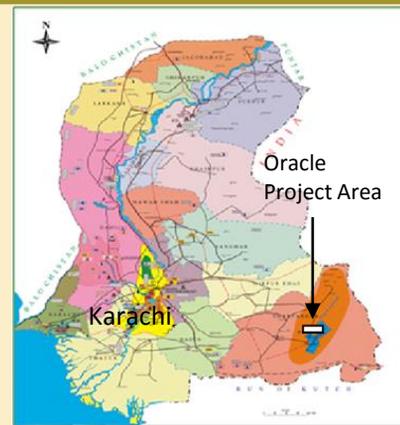
£27.13

Oracle Coalfields Plc is a UK Coal development Company producing lignite coal resources in South East Pakistan. The Project will operate through an open-pit mine supplying a 600MW mine-mouth power plant.

- 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 \$46bn pool of funding.
- The Pakistani Government is allowing a 20% IRR (in US\$ terms) on new projects. This 20% IRR applies to both the mine and the power station.
- World class JORC resource of 1.4bn tonnes coal

Thar Coalfield

- Thar Coalfield is located 380km from Karachi and covers a total area of 9,100 square km with a total lignite coal resources in excess of 175bn tonnes.
- It is in close proximity to established infrastructure, with an 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:

- The Company is finalising details of the Engineering Procurement and Construction contracts with Chinese partners for both the mine and the power plant.
- From 2016-2019 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 2019.





Pakistan

- The Government is promoting the use of Domestic coal from Thar as an alternative to oil and gas.
- There is an acute power shortage in the country.
- Domestic coal is to become increasingly important as a source of cheap energy for Pakistan as population continues to grow at a rapid rate.
- In 2008-2009 less than 1% of the power sector was coal, this is expected to rise to 17% by 2025.
- The Pakistani Government is allowing a 20% IRR (in US\$ terms) on new projects. This 20% IRR applies to both the mine and the power station.

China-Pakistan Economic Corridor (CPEC)

- The CPEC has been set up to improve economic ties between China and Pakistan, where China intends to invest \$46 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 is one of the few selected projects able to apply for this funding.



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

