

11 February 2019

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**Coro Energy plc**

**("Coro" or the "Company")**

#### **Institutionally Subscribed and Underwritten Eurobond**

Coro is pleased to announce that it has agreed subscription and underwriting commitments with key institutional investors Lombard Odier Asset Management (Europe) Limited and Pegasus Alternative Fund Ltd (SAC) (together "Institutional Investors") to subscribe for and underwrite, respectively, a minimum issue of €22.5 MM Eurobonds to fund the acquisition of a 15% interest in the Duyung PSC that was announced separately today, as well as general corporate and administrative expenses.

#### **Institutionally Subscribed and Underwritten Eurobond Issue**

The Company will issue a minimum of €22,500,000 of Eurobonds which are to be senior secured over the Company's shares held in operating subsidiaries holding its existing assets and the Duyung PSC and will be automatically subordinated to any senior development or reserve base lending debt, secured by the Company, in excess of \$30 MM as it moves to develop portfolio assets.

The Eurobonds will be issued at 85% of par value, such that the Company will receive €19,125,000 in cash. Half of the bonds are expected to be designated as Tranche A Bonds which carry a 5% annual cash coupon and half as Tranche B Bonds which will accrue interest at 5% per annum and which will be payable in cash on redemption. In addition, there will be a 7% origination fee payable to

the Institutional Investors. The bonds will be listed on a relevant European exchange to be notified at a later date. The redemption date for the Eurobonds will be three years from the issue date at 100% of par value plus any accrued and unpaid coupon, and may be repaid earlier by the Company at its option at 100% of par plus any accrued and unpaid coupon. The Eurobonds will contain certain standard events of default which could cause the bonds to be repayable early at 105% of principal value plus accrued and unpaid interest.

The bond issue is subject to final documentation being on the agreed terms and various conditions precedent (including no material adverse change) and is expected to complete in late March or early April 2019.

The Eurobonds will also have warrant coverage equal to 5% of the notional Eurobond issue, or approximately 42 million warrants based on yesterday's closing price, with each warrant entitling the holder to subscribe for ten new shares of the Company at an exercise price of 4 pence per new share, representing a 70% premium to the Company's prior thirty days volume weighted average share price, at any time over the next three years from the issue date.

The €22.5 MM Eurobond issue is being subscribed for or underwritten by the two Institutional Investors as to 50% each. The Institutional Investors will receive in aggregate a fee of 6 million warrants. Each warrant will entitle the holder to subscribe for ten new shares of the Company at an exercise price of 4 pence per new share at any time over the next 3 years from the issue date.

### **Related Party Transaction**

The entry by the Company into the subscription commitment in relation to the Eurobond issue with Lombard Odier Asset Management (Europe) Limited, a substantial shareholder in the Company, by virtue of its size qualifies as a related party transaction under Rule 13 of the AIM Rules for Companies. The independent directors of the Company consider, having consulted with the Company's nominated advisor, Grant Thornton UK LLP, that the terms of the Eurobond issue, including the subscription and underwriting, are fair and reasonable insofar as the Company's shareholders are concerned.

### **General Meeting**

The issue of the warrants is subject to the consent of Coro shareholders. A notice convening a general meeting will be circulated in due course and a further announcement made at that time.

The Company looks forward to updating the market during March/April 2019 as to completion of the Eurobond issue as well as with respect to wider development and reserve base lending discussions with tier 1 bank debt capital providers and other private debt providers.

The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "envisages", "estimates", "anticipates", "projects", "expects", "intends", "may", "will", "could", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy plans, objectives, goals, future events or intentions. These forward-looking statements include statements regarding the Company's and the Directors' current intentions, beliefs or expectations concerning, amongst other things, investment strategy, financing strategy, performance, results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Company will operate.

By their nature, forward-looking statements involve risks (including unknown risks) and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not an assurance of future performance. The Company's actual performance, results of operations, financial condition, liquidity and dividend policy and the development of the business sector in which the Company will operate, may differ materially from those suggested by the forward-looking statements contained in this announcement. In addition, even if the Company's performance, results of operations, financial condition, liquidity and dividend policy

and the development of the industry in which the Company will operate, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements in this announcement reflect the Company's and the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the matters referred to above. Other than in accordance with the Company's obligations under the AIM Rules for Companies, the Company does not undertake to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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Anonymous (not verified)

Proposed Eurobond Issue

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Mon, 02/11/2019 - 07:00

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Company Announcement - General

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