



CORO ENERGY – ION VENTURES ANNOUNCES PARTNERSHIP WITH BIG INFRASTRUCTURE FUND

July 7, 2021 | Posted by admin



By Dr. Michael Green

Investors were greeted by a really illuminating announcement this morning which demonstrates that substantial value is being created at Ion Ventures, where Coro Energy has a 20.3% stake.

Coro has big plans for energy storage, backing highly cash generative projects and in November 2020 took its stake in Ion Ventures for £500,000. At that stage, Ion Ventures had 250+MW of battery storage projects with consent in SE Asia and UK/Ireland. In addition, Coro has first right of refusal to fund each of Ion's clean energy projects, which is what NEDs James Parsons and Andrew Dennon are awfully good at.

This morning Ion Ventures announced a new partnership with GLIL Infrastructure Fund LLP (GLIL) concerning Ion's portfolio of grid scale energy storage projects in the UK. This partnership sees GLIL committing up to £150 million of capital into a newly incorporated vehicle called Flexion Energy Holdings UK Ltd. Ion Ventures will be transferring its existing portfolio of UK grid scale energy storage projects into Flexion, along with all of its future business associated with the development of UK grid scale energy storage assets. GLIL is a big infrastructure player having c. £2.5 billion of funds under management and backed by the likes of Local Pensions Partnership and Northern LGPS.

GLIL will acquire an initial interest in Flexion of 95%, with Ion Ventures holding a 5% interest on a fully carried basis. If certain milestones are met, Ion will have the opportunity to increase its fully carried interest to 7.5% ion and receive up-front cash of £0.1 million from Flexion. On top of this, Ion Ventures has been engaged by Flexion to provide ongoing development, operational and asset management services.

At the time, Mark Hood, Coro's CEO was quick to point out that *"We are delighted to note this new partnership between Ion and GLIL, which validates Coro's initial ion acquisition and likely underpins a significant uplift in the value of that investment. The highly accretive transaction sees a material commitment by GLIL to Ion's UK energy storage portfolio, whilst securing a fully carried interest in the portfolio for Ion, and therefore Coro. We are excited in particular by Ion Ventures' potential for further growth in South East Asia, in relation to which we retain a right of first refusal to invest in Ion's South East Asian projects. We will continue to update shareholders in the coming months as we look to build on this success."*

Investors should be elated as this is a cracking deal in our view which, in one fell swoop, funds the development of Ion's UK portfolio as well as providing additional resources for Ion to expand its South East Asian operations where we believe the big money will be made.

The implied valuation range based on the £150 million commitment and the two scenarios (Ion retains 5% = low case, Ion retains 7.5% = high case) is £7.9 – £12.2 million for Ion (pre-money), with Coro's 20.3% stake being valued at £1.6 – £2.8 million. Even in the low case, this represents more than a 300% return on Coro's £500,000 investment made in November 2020. It has to be pointed out that these figures exclude the value attributable to the SE Asian portfolio, which remains in Ion and will be the focus for future expansion.

For Coro, there are four really big additional benefits. Firstly, this clearly demonstrates strong investor appetite and bankability of assets which support the energy transition – illustrated by this material commitment from a blue-chip investor. Secondly, Ion has been retained to provide development, operational and asset management services to the Flexion vehicle, which is a huge vote of confidence from GLIL in the abilities of the Ion management team.

Thirdly, the monetisation of the mature UK pipeline provides the platform for a South East Asian growth phase which now comes into focus. Importantly, the SE Asian portfolio remains 100% owned by Ion and Coro retains the right of first refusal to invest in Ion's South East Asian projects. Last but not least, the return on investment implied by the Flexion-GLIL deal provides a blueprint for Coro's energy transition strategy – that is identifying assets and businesses where the company can add value through the early development stages, as the board is looking to do with the company's portfolio of wind and solar in the Philippines acquired in the GEPL deal.

With the shares trading at 0.305p, Coro Energy is capped at a lowly £7 million. And of course, on top of the solar and wind power projects is a stake in the Duyung PSC's Mako Gas Field, one of the largest gas fields ever discovered in the West Natuna Basin, offshore Indonesia where production could start in 2024. There does look to be one hell of a lot going on here for such a derisory market cap.

We initiated coverage on Coro Energy with a Conviction Buy and a target price of 1.50p, when the shares were trading at 0.275p. At the current price following the latest moves, we are more than happy to reiterate our stance.

RISK WARNING & DISCLAIMER

Coro Energy is a research client of Align Research. Align Research holds an interest in the shares of CORO. Full details of our Company & Personal Account Dealing Policy can be found on our website <http://www.alignresearch.co.uk/legal/>

This is a marketing communication and cannot be considered independent research. Nothing in this report should be construed as advice, an offer, or the solicitation of an offer to buy or sell securities by us. As we have no knowledge of your individual situation and circumstances the investment(s) covered may not be suitable for you. You should not make any investment decision without consulting a fully qualified financial advisor.

Your capital is at risk by investing in securities and the income from them may fluctuate. Past performance is not necessarily a guide to future performance and forecasts are not a reliable indicator of future results. The marketability of some of the companies we cover is limited and you may have difficulty buying or selling in volume. Additionally, given the smaller capitalisation bias of our coverage, the companies we cover should be considered as high risk.

This financial promotion has been approved by Align Research Limited

Coro Energy

SHARE:



Archives

- March 2023
- February 2023
- January 2023
- December 2022
- October 2022
- September 2022
- August 2022
- July 2022
- June 2022
- May 2022
- April 2022
- March 2022
- February 2022
- January 2022
- December 2021
- November 2021
- October 2021
- September 2021
- August 2021
- July 2021
- June 2021
- May 2021
- April 2021
- March 2021
- February 2021
- January 2021
- December 2020
- November 2020
- October 2020
- September 2020
- August 2020
- July 2020
- June 2020
- May 2020
- April 2020
- March 2020
- February 2020
- January 2020
- December 2019
- November 2019
- October 2019
- September 2019
- August 2019
- July 2019
- June 2019
- May 2019
- April 2019
- March 2019
- February 2019
- January 2019
- December 2018
- November 2018
- October 2018
- September 2018
- August 2018
- July 2018
- June 2018
- May 2018
- April 2018
- March 2018
- February 2018
- January 2018
- December 2017
- November 2017
- October 2017
- September 2017
- August 2017
- July 2017
- June 2017
- May 2017
- April 2017
- March 2017
- February 2017
- January 2017
- December 2016
- November 2016
- October 2016
- September 2016
- August 2016
- July 2016
- June 2016
- May 2016
- April 2016
- March 2016
- February 2016
- January 2016

Recent Posts

- STATEMENT TO KAZERA GLOBAL SHAREHOLDERS
- Ascent Resources – Legal matters moving ahead in Slovenia
- MetalNRG – back to work full time on the corporate strategy.
- Bluebird Merchant Ventures – Announces JV with Filipino Mining Group to develop Batangas
- Kore Potash – Updated PFS at DX project shows attractive financial returns

Categories

- 8 Peaks Group
- Acasti Pharma
- ADM Energy
- Alba Minerals
- Align Research
- Amarin Corporation
- Anglo African Oil & Gas
- Antofagasta
- Argo Blockchain
- Ascent Resources
- Banks
- Barclays
- Beaufort Securities
- Big Dish
- Blencowe Resources
- Blenheim Natural Resources
- Bluebird Merchant Ventures
- Bluejay Mining
- Caracal Gold
- Commodities
- Convertible Loans
- Copper
- Corcel
- Coro Energy
- Cradle Arc
- Currencies
- Dryships
- ECO Atlantic Oil & Gas
- Emmerson
- Endo Pharmaceuticals
- Energy
- EQTEC
- Equities
- EXMceuticals
- Finnaustr Mining
- Forex
- Fresnillo
- FTSE 100
- Gaming Realms
- Genei Energy
- Global markets
- Global Resource Investment
- Trust
- Gold
- Growth shares
- Gulf Keystone
- Gulfsands Petroleum
- Hemogenyx
- Hummingbird Resources
- Intu Properties
- Ironveld
- ITM Power
- Karoo Energy
- Kazera Global
- Kier Group
- Kore Potash
- Landore Resources
- Leni Gas Cuba
- Management Resource Solutions
- Mayan Energy
- MetalNRG
- Metro Banks
- Milestone Group
- Mining
- Minoan Group
- Nasdaq
- NMC Healthcare
- Obtala
- Oil
- Oilex
- Pathfinder Minerals
- PowerHouse Energy
- Prairie Mining
- Providence Resources
- Rainbow Rare Earths
- Randgold Resources
- Red Rock Resources
- RiverFort Global Opportunities
- S&P500
- Salt Lake Potash
- Sentiment
- Shifa Yamim
- Silence Therapeutics
- Silver
- Special situations
- Spreadbetting
- Stanley Gibbons
- Sterling
- Strat Aero
- Tectonic Gold
- Ted Baker
- Tekcapital
- TEVA Pharma
- Two Shields
- Uncategorised
- US Dollar
- Valeant Pharmaceuticals
- ValiRx
- Value shares
- Vela Technologies
- Vox Markets
- Widecells
- Wishbone Gold
- Yourgene Health
- Zanaga Iron
- Zenith Energy
- Zinc Media

Sign up to receive our notes as soon as they are published

[SIGN UP NOW](#)



DISCLAIMER

Align Research has made every reasonable effort to ensure the accuracy of the information in our research reports although this cannot be guaranteed. Nothing in our reports should be construed as an offer or the solicitation of an offer to buy or sell securities by us and, as we have no knowledge of your individual situation and circumstances, you should not make any investment decision without consulting a fully qualified financial adviser. Align Research is authorised & regulated by the Financial Conduct Authority. FRN No: 768993

LEGAL

Copyright © 2023 Align Research Limited, Cornwell Main Street, Amotherby, Malton, YO17 6UN. All Rights Reserved