

STORMHARBOUR

StormHarbour advises LUKOIL Overseas on the sale of its Colombian asset

Thursday, 17 January 2013 10:52

StormHarbour Securities LP (“StormHarbour”), the leading independent global markets and financial advisory firm, announces it has acted as exclusive adviser to LUKOIL Overseas (“LUKOIL”), a subsidiary of OAO LUKOIL on the sale of its interest in the Condor Block, an exploration and development project in Colombia (the “Project”), to Omega Energy Colombia.

LUKOIL entered the Project in April 2002 with an agreement for the exploration and development of the Condor Block in partnership with state-owned company Ecopetrol. LUKOIL holds a 70% interest in the Project and Ecopetrol a 30% interest. The Condor Block is situated in the Andes Foothills (Boyaca Department), 70 km south-east of Bogota, the capital of Colombia.

As part of the Project, LUKOIL established an office in Bogota and began a comprehensive work program that included the reprocessing of historical 2D seismic data, acquisition of 3D-Sparse seismic covering 700 square kilometers and drilling of 3 exploration wells on the Medina and Lengupa structures. A field with estimated probable reserves of 100 million barrels of high quality Vasconia oil was discovered. LUKOIL subsequently began a pilot production program in the Medina area at altitudes approaching 1,100 meters above sea level. The sale of produced oil partially offset the historical costs associated with the Project.

STORMHARBOUR

LUKOIL's decision to sell its share in the Condor project was taken as part of the company's optimization of its portfolio of assets.

Oil & Gas continues to be a core industry vertical for the firm's Capital Markets and Advisory businesses and supporting LUKOIL on the divestment in Colombia further underlines the significant capability and track record that the specialist practice is building.

Fredrick Chapey, co-founder and Managing Principal, commented: "We are extremely pleased to have advised such an important global oil and gas company in this transaction. We were able to provide LUKOIL with the sector and regional expertise, alongside StormHarbour's proven global reach and independent advice needed to support this significant asset sale."