

# Petroneft Sale Raises \$43M

By [The Moscow Times](#)

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Petroneft Resources, a London-listed company producing oil in Russia's Tomsk region, said Tuesday that it raised about \$43 million by selling shares to boost exploration.

Petroneft agreed on the terms of a conditional placing of 63.125 million shares at 43 pence apiece, the Dublin-based company said in a statement. The shares will trade on London's AIM market and the ESM Market of the Irish Stock Exchange.

"We can generate significant cash flow, target significant proven plus probable reserve growth and take advantage of exciting potential acquisition and new venture opportunities," chief executive Dennis Francis said in the statement.

The exploration program for 2010-11 targets 132 million barrels of proven and probable reserves, the company said.

Output will reach 4,000 barrels of oil equivalent per day this year, before rising to 12,000 bpd by the end of 2012, the statement said. The company plans to drill 17 new

production wells in 2011 and the same number the year after.

“Petroneft is one of the more expensive exploration and production plays in the CIS, but the threefold reserve upgrade potential more than compensates for this,” Luis Saenz, a

London-based director of international sales at Otkritie Financial Corporation, said by e-mail.

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