

Regulatory Story

Company [Xtract Resources plc](#)
TIDM XTR
Headline Royalty Buy Back Agreement signed on Julia Creek
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Xtract Resources Plc
("Xtract" or the "Company" or the "Group")

Royalty Buy Back Agreement signed on Julia Creek Tenements

Xtract (AIM:XTR) is pleased to announce that it has signed a Royalty Buyback Option exercised by Global Oil Shale Group Plc ("GOS Group").

Key Points

- GOS Group has exercised its option to buy back the 1% net smelter royalty as stipulated in the Royalty Agreement between GOS Australia and Xtract dated 16 December 2012
- The buy back price is time related and exercise at this time values the option at AUD 1,000,000
- The option exercise provides Xtract with a further ordinary share allotment in GOS Group of 1,371,365 shares at a current GOS Group share price of 40p, a significant increase from the 11p share price at the original transaction date
- GOS Group has undertaken to issue the Royalty Shares to Xtract within 7 days of the day of the signed agreement
- On the issue of the shares the Royalty shall be extinguished
- Xtract will hold 7,371,365 shares in GOS Group, with an additional 1.5 million to be issued if, as is intended, GOS Group lists on a recognised Stock Exchange
- The issue of the Royalty Shares will result in Xtract holding 7.6% of the current issued share capital of the GOS Group

Jan Nelson, Chief Executive commented: "Having taken the decision to direct Xtract towards near term mining production propositions, we welcome the purchase of the royalty for our non-core GOS Group investment. We have a significant stake in the GOS Group and have every confidence in their management team to realise value for shareholders. With the current number of GOS shares in issue and at the latest placing price our position has a value of GBP 2.95 million. The early exercise of this option, in our opinion, demonstrates the confidence that the GOS Group have for the future prospects of Julia Creek."

About Julia Creek

GOS through its 100% subsidiary Global Oil Shale (Australia) Pty Ltd has right to the large scale Julia Creek oil shale deposit in Queensland. The GOS controlled Julia Creek oil shale deposit has a license area of 605 km² in area and contains 2.18 billion barrels of oil shale according to an independent report (JORC). The area represents approximately 10% of current known oil shale resources in Australia. GOS is currently engaged in an ongoing work programme for development drilling, process testing and engineering and environmental analysis for a long term sustainable oil shale operation in Queensland.

GOS is planning a rapid development programme on the property, starting with a 30,000m reverse circulation drilling programme in 2013 to develop 2.5 Billion tonnes of oil shale in "measured resource" category (JORC) which will contain over 1 Billion Barrels of extractable shale oil (Fischer assay) with significant electricity credits and by products.

The Royalty Buy Back Agreement

Option to Buy Back between Xtract Resources Plc and Xtract Oil Limited ("XOL"), a wholly owned subsidiary of GOS Group.

Up to and including the first anniversary of Completion, XOL may exercise an option to buy back all or part of the Royalty from Xtract at a purchase price of AUD 100,000 per 0.1% purchased (i.e., purchasing the entire Royalty would cost AUD 1,000,000).

After the first anniversary of Completion and up to and including the second anniversary of Completion, XOL may exercise an option to buy back all or part of the Royalty (to the extent not already bought back) from Xtract at a purchase price of AUD 300,000 per 0.1% purchased.

After the second anniversary of Completion and up to and including the fourth anniversary of Completion, XOL may exercise an option to buy back all or part of the Royalty (to the extent no already bought back) from Xtract at a purchase price of AUD 500,000 per 0.1% purchased.

Transfer of Buy Back Right

XOL may transfer its rights under Clause this agreement to any member(s) of its Group.

Election to be Paid in Cash or Shares

If any of the options set out in this agreement are exercised, Xtract may elect to receive the relevant purchase price in cash and/or the equivalent value in shares in the GOS Group.

If Xtract elects to receive shares in GOS Group:

- (a) Xtract shall notify XOL of the relevant amount of purchase price (the "Relevant Purchase Price") for which it wishes to receive the equivalent value of GOS group shares; and
- (b) XOL shall procure that GOS Group issues shares in GOS Group to Xtract which have the equivalent value to the Relevant Purchase Price. For this purpose the "equivalent value" of a share shall be the average closing price of GOS Group Shares over the preceding ten days on which GOS Group shares were traded on any stock exchange or other market.

Enquiries:

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