

Cove veterans seek cash for Guyana venture

OIL AND GAS

Gavin McLoughlin

MEMBERS of the team behind Cove Energy, the Irish oil and gas explorer sold for £1.2bn in 2012, are seeking to raise funding to progress a project in the Caribbean.

AIM-listed Westmount Energy, backed by ex-Cove chief executive John Craven and Cove's former chairman Tom O'Gorman, is seeking as much as £764,000 in working capital, via a share placing and an open offer to qualifying existing shareholders. It has agreed to raise £200,000 from the placing — with institutional investors — and the balance will be determined in the coming days when the results of the open offer are known.

Westmount has repositioned itself as an oil and gas investment company and has recently taken a small stake in a company with interests in Guyana. The company, [Eco \(Atlantic\) Oil and Gas](#), has an interest in the so-called Onduik block, operated by Tullow Oil.

Onduik is adjacent to a block where Exxon Mobil has made a number of significant discoveries.

“At Westmount we have created a platform, which has similar characteristics to the Lapp Plats model, which we will use to seek access to exploration and investment opportunities in the emerging oil and gas province of the Guyana-Suriname Basin,” Westmount chairman Gerry Walsh told the *Sunday Independent*.

Walsh and O'Gorman were involved in Lapp Plats, the AIM-listed cash shell that became Cove after the men persuaded Craven to invest and join in 2009.

O'Gorman is now a director of Westmount alongside Walsh and Dermot Corcoran, who was formerly the head of exploration at Petroceltic.

Craven had left his job as chief executive of Petroceltic, the company he founded, just months earlier after a boardroom row over who Petroceltic should partner with for a project in Africa.

Three years later he sold Cove to Thai company PTTEP. Shell had also been interested but wouldn't match PTTEP's bid.

Craven backed Westmount — of which he is not a director — in 2015 alongside O'Gorman.

Earlier this month, Westmount said directors “believe that the more stable oil price and improved investor sentiment towards the energy and petroleum sector has given rise to some opportunities which should enable the process of repositioning the company as a niche exploration and production investor in the conventional oil and gas sector.

“The board continues to focus on Guyana as the primary geographic region for potential investments, and believes that there remains sufficient opportunity for investment in the medium term that should create shareholder value.

“The additional working capital raised as part of the subscription and open offer will allow the company to continue to appraise and, if the board considers it appropriate, pursue further opportunities.”

Westmount's strategy is to provide seed capital to small companies that it believes have potential for significant growth.

The money raised as part of this latest effort will be used in part to repay up to £77,500 of a £270,000 loan Walsh gave the company to enable the investment in Eco (Atlantic) oil and gas.

Walsh will use the repayment to take up his entitlement under the open offer, the company said.