

On 27 May 2014, the Company announced that it had signed a joint venture agreement with Nogal Holdings LLC, a company formed to pursue investment opportunities in Texas and Mexico. Nogal Energy Partners LLC, a related company by virtue of its common directors and shareholders, is also covered under this agreement. Nogal Energy Partners LLC is both a consolidator of oilfield services companies as well as being involved with the development and production of oil and gas reserves in the Texas and Mexico markets. Its clients include BHP Billiton, Lewis Energy and Apache Corporation.

Astar Minerals plc is pleased to announce that, as a result of the Nogal joint venture, it has agreed heads of terms with Geo Estratos S.A. de C.V. (“Geo”), an established oil services business in Mexico, to form a 51%/49% joint venture (the “Geo JV”) between Astar and Geo respectively to jointly evaluate, explore, develop, and produce hydrocarbons in Mexico. This agreement is in line with Astar’s strategy to explore investment opportunities in Mexico’s energy sector, which is being reopened to the private sector to attract greater foreign investment and expertise to develop its substantial hydrocarbon reserves. Key points to note are:

- The Geo JV will participate in bidding rounds for concessions in the reopening Mexican energy sector
- Geo is a longstanding services provider to a number of Mexico’s most established participants including Pemex, Mexico’s national oil company, and a division of Petrofac, the FTSE 100 listed company
- Geo is considered to be a highly competent technical partner with a track record spanning two decades of providing services to the Mexican energy sector. Geo is well placed to secure concessions and contracts via formal bid rounds and through its existing commercial relationships
- Astar will seek to provide access to funding for the delivery of specific approved projects by the Geo JV including, but not limited to, the acquisition of E&P assets and the provision of oil services in Mexico and any pre-bid expenditure required ahead of a formal bid for concessions

Geo provides a broad range of technology based services and solutions to the Mexican energy sector including subsoil drilling services, geological and geophysical studies. Over a period of 20 years, Geo has worked with leading operators including Pemex, Petrofac, Dupont and Weatherford. Geo provides technology solutions for its customers and has a number of patents granted and pending in both Mexico and the US. Being a local business with a long track record of working in the Mexican energy industry, Geo is well placed to secure and develop contracts and concessions in country.

Astar’s Chief Executive Officer Stefan Olivier said, “We are very excited to have reached this agreement with Geo which demonstrates that we are moving forward with our plans to be an early mover in the vast Mexican energy sector which, for the first time in decades, is being reopened to the private sector. The combination of Astar’s access to capital markets with Geo’s strong technical expertise and long track record in working with oil and gas operators in Mexico, including Pemex, along with its extensive relationships in-country, will be invaluable as we look to secure and develop highly attractive concessions. This is an exciting period for Astar and we look forward to providing further updates on our progress in due course.”