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AIM-listed explorer raises £143m

By Peter Klinger

EQUATOR Exploration has raised £143.7 million in one of the biggest fundraisings conducted on the Alternative Investment Market in recent years, two weeks after reporting an oil and gas discovery off Nigeria.

Equator, chaired by Sam Jonah, the former Ashanti Goldfields chief executive, said that it would use the proceeds from the placement, at 350p a share, to fund its exploration strategy. Equator's existing shareholders, including Barclays Capital and Millennium Partners, are thought to have participated in the fundraising.

About £80 million will be spent on four wells in the OML 122 block, where Equator's maiden well uncovered a field containing about 20 million barrels of oil and 800 billion cubic feet of gas. The additional wells are designed to increase the field's size. Some of the funds will also be used to fast-track production of first oil from the maiden discovery.

Equator listed on AIM in December 2004 after raising £60 million at 100p a share. Its mandate was to pursue deep-water exploration projects near the West African islands of São Tomé and Príncipe. Only two months ago it raised £34.6 million at 200p a share.