

The Motley Fool UK Discussion Boards

[Previous Page](#)

Sectors & General Shares / Oil & Gas - Companies

URL: <http://boards.fool.co.uk/hi-darron-from-the-back-of-the-class-literally-11327846.aspx>

Subject: Re: Encore AGM RNS

Date: 21/11/2008 17:57

Author: HaiderAli

Number: 55181 of 81392

Hi Darron

From the back of the class, literally, what I can report back (without having taken notes) is as follows.

They expect Star to have made a decision(?) about Esmond in 'a couple of months'.

AB was er 'disparaging' about Tristone's view that 2/3 of Esmond is accounted for the lower repressurised section.

They expect to monetise various assets (in the coming year). There was a slide highlighting which assets they expect to monetise and there did not appear to be any caveats (IIRC) in terms of wider market conditions. AB was emphatic that the company is gas focused and 'the UK needs gas to keep the lights on'. He used that phrase more than a couple of times.

They did not appear to be worried by wider market conditions in terms of their ability to monetise, but did seem to agree with a questioner that the availability of assets at distressed prices from other companies could be a 'dampener' on what could be achieved (hope I got that right). Similarly while they did not see a linear relationship between the prices that could be achieved for assets and the POO being a third of what it was, they did seem to agree that what could be achieved would be softer. They did seem to stress that there is a difference between what the trade will pay for assets and what the market will pay for shares (ee would probably have been happy to hear that).

There did seem to be some stress on their being able to return funds to shareholders (from monetising assets other than just GS) and AB made the point on a number of occasions that the management are large shareholders themselves, though it did seem as if there were assets going on the cheap they would consider acquiring those. IIRC AB did not rule out a merger with another company if there were mutual gains. But more widely in terms of the industry he did not see any advantages of small distressed co's getting together, since that would just be a larger version of the same problem.

As for cash AB was absolutely adamant that they have enough to fund their ongoing needs and in answer to a question about cashcalls AB said an emphatic NO.

As a shareholder I can't really say we could have asked for more. Manzanilla, H, Was and Carmensfella asked a number of questions and will probably provide a lot more info in due course.

If this is all really off-beam I guess I shall hear from EO's solicitors ;)

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