

## press release

30 August 2011

### Production problems see Afren's profits fall

- Afren pre-tax profits fall to £43.7m
- Access to new fields in Iraq show potential
- The Share Centre continues to recommend high risk investors 'buy' Afren

**As independent oil company Afren reports a fall in profits for the first half of the year Graham Spooner, investment adviser at The Share Centre, explains what this means for investors.**

"Afren saw figures for the period to the 30 June suffer as production levels decreased due to its Ebok field closing down for safety reasons. Pre-tax profits fell from £75.4m the year before to £43.7m and revenues were down from £214.8m to £161m.

"Investors seeking growth will be pleased to hear the company is ramping up production to meet its 50,000 barrels of oil equivalent per day target following previous problems. Drilling in key wells in the company's main regions is planned for the second half of the year.

"Afren has also gained access to two fields in the Kurdistan region in Iraq costing £360m. One of the fields alone is expected to produce 75,000 barrels of light oil per day within the next five years.

"The company's problems of late have seen the share price fall a long way back from the highs of around 165p in July to under 100p. Afren's exposure to volatile regions, such as Africa and Iraq, is also a concern for us and we only recommend the company as a play for higher risk investors. Despite the company's recent production problems we believe there is still plenty of potential to be had from Afren."

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**About The Share Centre:**

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

The Share Centre's Advice team provides comment on market sectors, individual shares and funds on [www.share.com](http://www.share.com). Access is available to customers and registered users of the site. Registration is free. To understand how our Advice team arrive at their views please read our [Investment Research Policy](#). The Share Centre blog is also available at <http://blog.share.com>.

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