# The World's Next Great Onshore Oil Discovery Could Be Here

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LONDON, Jan. 22, 2021 - A three-well drill campaign has just been launched by a small-cap explorer in a massive Per
that could end up being the next major conventional onshore oil discovery in the world. And everyone's watching as ma
in the oil industry and resource assessment gather around Reconnaissance Energy (RECO; RECAF). Mentioned in tod
commentary includes: Exxon Mobil Corp. (NYSE: XOM), ENI S.p.a. (NYSE: E), Halliburton Company (NYSE: HAL), Pi
Natural Resources Company (NYSE: PXD), Enterprise Products Partners L.P. (NYSE: EPD).

It's exciting for two reasons. First, there's no more potentially lucrative risk-reward setup than a small-cap sitting on a hi
exploration play. Plays like this that succeeded have netted some investors 1,000-4,000% gains in the past. And this pl
Africa, where we've seen it happen before:

- Africa Oil netted well timed investors over 1,000% gains
- Tanganyaika Oil netted investors up to 4,000% gains
- Centurion Energy International netted investors over 1,200% gains.

And those gains were for plays that might in the end pale in comparison to the potential of RECO's 8.5-million-acre Kav
in Namibia and Botswana. RECO's land package is far bigger and far more consequential, with well-known geoscientis
industry backing what they think could end up being 120 billion barrels of oil in place.

Haywood, which initiated coverage of RECO in November at a $2.50 price target, has now bumped that up to $7.00 in
term precisely because it knows potential upside when it sees it.

Big Money Is Looking to Conventional & Loves the Permian

Saudi Arabia's conventional oil wells are extremely cheap to operate. In fact, the Saudis can produce oil for as low as $
American shale costs many times more to extract, and in some cases up to $73 per barrel. It's not as simple as drilling
the ground and watching the oil gush out. And while U.S. shale or "unconventional" oil was all the rage behind the boo
ended up making the United States a top producer to challenge even the Saudis, the new rationale is that the next big
will have to be conventional--and huge--in order to make economic sense.

Now, Wood Mackenzie--the most trusted name in resource assessments--says ReconAfrica's (RECO; RECAF) Kavan
analogous to the Midland Basin in Texas, part of the prolific Permian. Not only that, but Woods Mackenzie estimates th
development value of Midland to be $540 billion.

Texas' Permian basin boasts one of the world's thickest deposits of sedimentary rocks, formed during the Permian geo
period. It's a 250-mile-wide, 300-mile-long sedimentary basin housing the Midland Basin, the Delaware Basin, and the
Basin Platform across West Texas and Southeast New Mexico.

It's produced 28.9 billion barrels of oil and 75 trillion cubic feet of gas, with no sign of letting up. As of the time of writing
Permian basin is producing over 4 million barrels per day. In 2019, it became the top producer in the world, even outra
Saudis. And … it's analogous to Kavango, the next potentially huge conventional oil discovery that we're about t
about in a matter of months.

A 2021 Oil Frenzy Can Only Happen in Africa

It's generally thought that there's almost no oil or gas left to discover on land, except in Africa, which remains massivel explored. There aren't likely to be any more huge discoveries in Nigeria and Angola, Africa's No. 1 and No.2 producers respectively, and environmental disasters, corruption, and heavy-handed tax regimes are rendering both increasingly to

Namibia hasn't produced a single barrel of oil in its history - onshore or offshore. Offshore, Exxon (XOM) has scooped u net acres …Onshore, Recon Africa (RECO; RECAF) is the superstar--and the only player with significant acreag field. That's because it bought up oil and gas rights to the entire Kavango sedimentary basin from Namibia all the way t before anyone had time to blink.

Now, the company is setting itself up for an even bigger potential win than Africa Oil did in a stunning discovery that pu the oil map back in 2010. When small-cap Africa Oil discovered the East Africa Rift oil, investors saw a 10X windfall rig bat.

World-Famous Geochemist Estimates 120 Billion Barrels

The prospects here are so tantalizing that some of the most renowned geoscientists in the world have chimed in.

Dan Jarvie, one of the original geoscientists that helped locate their claim in Namibia, is a world-renowned geochemist analyzed and interpreted petroleum formations the world over. He was one of the primary drivers behind the exploratio Barnett resource play and former Chief Geochemist for oil and gas major EOG Resources (one of the largest independ producers in North America).

Jarvie recently came out with estimates showing the potential for generation of 120 billion barrels of oil equivalent base 12% of Recon's holdings. He says he's being conservative. And it's not just 120 billion barrels to Jarvie: "We could eve at the last major onshore oil discovery on Earth."

Even better: ReconAfrica (RECO; RECAF) still has plenty of cash on hand to complete their drill program - and with a n 8.5-million-acre land package, it's also got plenty of promising targets to choose from.

With the first test well already spudded, and drilling operations now underway as of today, by mid-February, we could a them reach a depth of 12,000 feet. Next comes 2D seismic acquisition and interpretation in Q2 2021, followed by 6-2 w evaluation and drilling of two other back-to-back wells in the same quarter.

By the second half of next year if everything goes to plan, it's likely RECO will already be in JV discussions if drilling go planned. RECO just went one step closer to de-risking a "massive potential resource", according to Haywood. In a few early-in investors will find out, and it will be on everyone's radar.

Big Oil Could Benefit From The Price Rebound

Exxon (XOM) has been desperately pulling on all the levers in a bid to get through the oil slump with its dividend intact be running out of options. Exxon has announced that it will cut 15% of its workforce in order to protect its fat dividend (1 and also slash capital expenditure--again.

Like many of its peers, ExxonMobil has also shed nearly half of its value since the beginning of 2020. Despite this, Exx been making big moves in the energy realm, and is positioning itself perfectly to capitalize on the rebound in oil prices, the global pivot to natural gas, in the coming years.

Italian energy major, Eni (E), described 2020 as a "year of war", regarding the energy crisis experienced in the face of a pandemic. But it may be too soon to see the issues faced last year as a thing of the past. Eni is committing to lower the at which the company breaks even going into 2021, as a means of tackling the uncertainty of the oil economy in the co months. Francesco Gattei, CFO at Eni, stated that "Volatility is growing every year.", highlighting the need to be prepar energy demand of the future. In fact, Eni has now set out a plan to lower its greenhouse gas emissions by 80% by 205

Like other oil majors, Eni's share price took a major beating in 2020, falling by as much as 30% over the course of the y thanks to recovering demand and its diversification efforts, Eni is looking more and more appealing to investors.

Halliburton (HAL) is one of the largest oilfield services companies in the world. The company has secured its place as a the oil and gas industry. But it didn't happen overnight. The oilfield services sector is highly competitive and ripe with in order to stay ahead, companies must be on the absolute cutting edge of technology. And that's exactly what Halliburto And recently, Halliburton increased the heat for its competition. Partnering with Microsoft, Halliburton has become one exciting "tech" plays in the industry.

The oilfield services sector was among the hardest hit in the 2020 oil price disaster, and Halliburton was not immune to The company saw its share prices crater, falling by 79% from January to March. The hit definitely stung, but Halliburton challenge. Thanks to its strong management and innovative approach to the industry, the company's stock managed to fairly impressive recovery, climbing from $5 in March to today's price of $20, proving that it's still got what it takes to ren competitive in this industry.

Pioneer Natural Resources (PXD) was one of the big-and few-dealmakers of 2020, acquiring Parsley Energy for about in an all-stock deal that also included Parsley's debt. The landmark deal helped make Texas-based Pioneer the largest independent oil and gas producer in the Permian Basin. Having worked together previously, the merger expects signific savings and greater pressure on regulators in the region. Working in the Permian Basin, the world's most prolific oilfield production of 558,000 bpd equivalent, Pioneer hopes this will ensure it rides out the Covid-19 slump.

But that doesn't mean investors shouldn't keep an eye on the company. Share prices of Pioneer have nearly doubled s November, climbing from $77 per share to today's price of $132. And while outlook for the shale patch isn't particularly the moment, Pioneer is an undervalued stock in an industry that will inevitably return to its previous glory.

Enterprise Products Partners (EPD) is the top transporter of natural gas liquids (NGLs) and also owns the most NGL fra capacity in the United States, as well as dock space for exports. Enterprise Products is the largest midstream MLP in th Enterprise has clearly read the signs of the times and has begun to work with partners to scale back its project backlog past, EP was able to weather the normal industry headwinds thanks to robust cash coverage and manageable leverage Unfortunately, Covid-19 has been anything but your average downturn, and EP has been forced to seriously cut back c

Despite the downturn, which saw Enterprise lose as much as 30% of its value in 2020, things are already looking up for company. Its dividend distribution is still attractive to investors at 8.6%, its cash flow is sustainable, and its fiscal expect promising. Altogether, that puts Enterprise in an attractive position for investors looking for potentially undervalued stoc prices stage a comeback.

By. Polly Steele

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