

# Lot 16

£92,500 per annum exclusive

## Larkwhistle Oil Well, Winchester, Hampshire SO21 2RJ

Substantial Freehold Land Investment with Important Rent Review in 2020



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## Tenancy and accommodation

Site Area	Tenant	Term	Rent p.a.x.	Reviews
7.45 acres (3.01 hectares)	IGAS ENERGY DEVELOPMENT LIMITED guaranteed by IGAS ENERGY PLC (1)	A term of years from 03/01/2019 until 02/01/2039 (2)	£92,500	Reviewed annually in line with Retail Price Index (RPI) and in addition subject to 5 yearly upwards only Open Market Rent Reviews (3)
<b>Total</b>			<b>£92,500</b>	

- IGas Energy is a leading British oil and gas explorer and developer, producing c. 2,200 barrels of oil equivalent per day from over 100 sites across the country, with significant potential yet to be delivered from their assets. IGas has played a key role in Britain's onshore energy production, safely exploring, developing and producing onshore oil and gas at their sites for over three decades (Source: igasplc.com).
- The lease is subject to a rolling tenant option to determine from 03/01/2024 subject to 12 months' prior notice.
- The rent is reviewed annually in line with the Retail Price Index (RPI) (no minimum or maximum) and in addition is subject to five yearly upwards only Open Market Rent Reviews. Next important Open Market Review in January 2020.

### Oil Well Economics

The 2018 competent persons report prepared for IGas reports between Jan-Dec 2018 the pre-tax field level net cashflow is just in excess of £5m (excluded G+A, and transportation and storage) (Source: Phase 1 Environmental Report 2019 update - available in legal pack). For further information please refer to the environmental report available within the legal pack.

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### Key Details

- Entirely let to IGas Energy Development Limited (guaranteed by IGas Energy Plc) on a recently re-gearred lease until January 2039 (subject to option)
- Yearly RPI linked uplifts (uncapped)
- Scope for significant rental uplift at Open Market Rent Review in January 2020 (please refer to legal pack)
- Operational oil well on a site extending 7.45 acres (3.01 hectares)
- Property has been in current use for over 30 years
- 4 miles north of Winchester, strategically located with easy access to A34, A31, A303 and M3
- Landlord only option to take a surrender of part of the lease demise in exchange for 25% rent reduction (see legal pack)
- Future redevelopment potential (subject to consents)

### On behalf of an Investment Manager

#### Location

**Miles:** 4 miles north-west of Winchester city centre  
16 miles north of Southampton  
17 miles south-west of Basingstoke

**Roads:** A272, A34, A31, A303, M3

**Rail:** Winchester Railway Station

**Air:** Southampton Airport

#### Situation

Winchester is an affluent cathedral city situated close to junctions 9 and 10 of the M3, which provides easy access to the M25 and London to the north-east and the M27 and Southampton to the south. The property is located to the north of the city centre on the A272, which is an arterial route between Winchester and Andover.

#### Description

The property comprises an established operational oil well (with 9 active wells) on a site extending to approximately 7.45 acres (3.01 hectares). Built development includes an area of concrete hardstanding constructed over an impermeable membrane, upon which several storage tanks, office accommodation and welfare facilities have been erected.

#### Planning

The property benefits from planning consent for use as oil and gas production until 31st December 2036. For further information please visit: [planningapps.winchester.gov.uk](http://planningapps.winchester.gov.uk) (Ref: 16/02508/HCM).

#### Tenure

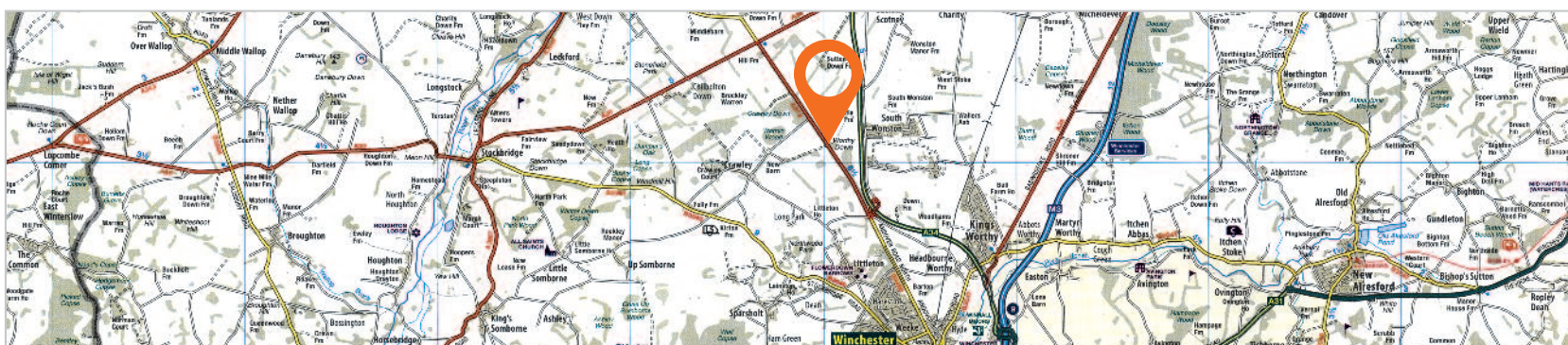
Freehold.

#### VAT

VAT is applicable to this lot.

#### Energy Performance Certificate

Band B. Available in the legal pack



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