

MERCATOR

AMADEUS ENERGY BUY

Mixed exploration findings and a “strong” half-year result have buoyed **Hartleys’** confidence in oil and gas operator Amadeus Energy (AMU).

The discovery of a potential reserve of 500,000 barrels of oil equivalent prompted the broker to place a buy tag on the stock.

Hartleys said that, despite the downturn in oil prices, Amadeus remained a low-cost producer at operating costs of \$US15 a barrel.

“We estimate it would remain cash flow positive at as low as \$US20/bl oil price,” Hartleys said. “This is due to the company’s operations being located onshore in the USA where substantial infrastructure exists.”

Hartleys placed a 12-month price target of 70¢ on the stock, which dropped 2¢ to 25¢.