

**UK Oil & Gas Investments PLC**  
**("UKOG" or the "Company")**  
**Competent Persons Report on Recoverable Resources**  
**Conventional Oil Accumulation Portfolio, Weald Basin, UK**

UK Oil & Gas Investments PLC (London AIM: UKOG) is pleased to announce that the Company has today received a Competent Person's Report ("CPR") detailing the Hydrocarbons Initially in Place ("HIIP") and associated recoverable volumes expected within the fields, discoveries and exploration prospects of its nine UK onshore licence holdings. The CPR, prepared by Xodus Group Ltd ("Xodus"), focuses upon the Company's discovered conventional oil accumulations and is available to download from the UKOG website [www.ukogplc.com](http://www.ukogplc.com).

The CPR reviews the Reserves and Resources lying within conventional oil accumulations within the following assets: Avington (PEDL70), Baxters Copse (PEDL233), Holmwood (PEDL143), Horndean (PL211), Horse Hill (PEDL137 and 246), Isle of Wight Onshore (PEDL331) and Markwells Wood (PEDL126). The effective date of the CPR is 1st January 2018. The reported figures exclude Kimmeridge Limestone potential resources. Summary Reserves and Resources tables are located below.

**Highlights of CPR Recoverable Resource figures:**

- **21.0 million barrels ("MMbbl") Total UKOG Portfolio Net P50 Recoverable Resources (an aggregate of Net P50: Reserves, Contingent Resources and Prospective Resources as set out below)**
- **13.2 MMbbl UKOG Net P50 discovered Contingent Resources from five oil fields and discoveries, of which 10.2 MMbbl UKOG Net P50 Contingent Resources lie within the Isle of Wight Arreton discovery**
- **7.7 MMbbl UKOG Net P50 Prospective Resources within the Arreton and Holmwood prospects**
- **85,000 barrels Net UKOG P50 Reserves from stable production at Horndean Field**

**Stephen Sanderson, UKOG's Executive Chairman, commented:**

"This CPR, the first evaluation of UKOG's entire conventional asset base, is an important company milestone and amply demonstrates the substantial growth created in the Company's four years as an Oil & Gas investing company. Furthermore, it demonstrates that the significant growth potential of our flagship Kimmeridge Limestone assets is solidly underpinned by UKOG's discovered oil resources lying within geologically simple and easy to develop conventional oil accumulations.

We now look forward to the forthcoming production testing campaign at Horse Hill, the first of a series of planned near continuous appraisal drilling and testing programmes designed to transform the CPR's recoverable resources into permanent production and reserves."

**CPR Summary Reserve and Resource Tables**

**Table 1.1 Gross and Net Reserves (in MMbbl):**

Oil Reserves (MMbbl)	W.I.	Gross Volumes			Net to UKOG			Operator
Category		1P	2P	3P	1P	2P	3P	
Horndean	10%	0.39	0.85	1.29	0.039	0.085	0.129	IGas
<b>Total</b>		<b>0.39</b>	<b>0.85</b>	<b>1.29</b>	<b>0.039</b>	<b>0.085</b>	<b>0.129</b>	

**Table 1.2 Gross and Net Contingent Resources (in MMbbl):**

Oil Contingent Resources (MMbbl)	W.I.	Gross Volumes			Net to UKOG			Risk Factor	Operator
Category		1C	2C	3C	1C	2C	3C	%	
Avington	5%	0.31	0.37	0.41	0.016	0.019	0.021	40%	IGas
Baxters Copse	50%	0.80	2.40	4.80	0.40	1.20	2.40	40%	IGas
Horse Hill - Portland	32%	0.59	1.50	3.63	0.19	0.49	1.18	75%	HHDL
Isle of Wight Onshore	65%	9.9	15.7	24.1	6.44	10.21	15.67	75%	UKOG
Markwells Wood	100%	0.63	1.25	2.71	0.63	1.25	2.71	60%	UKOG (GB)
<b>Total</b>		<b>12.2</b>	<b>21.2</b>	<b>35.7</b>	<b>7.7</b>	<b>13.2</b>	<b>22.0</b>		

**Table 1.3 Gross and Net Prospective Resources (in MMbbl):**

Oil Prospective Resources (MMbbl)	W.I.	Gross Volumes			Net to UKOG			Risk Factor	Operator
Category		Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate		
Onshore Isle of Wight	65%	4.0	10.5	21.6	1.4	6.8	16.3	50%	UKOG
Holmwood	40%	1.2	2.3	4.3	0.5	0.9	1.7	17%	Europa O&G
<b>Total</b>		<b>5.2</b>	<b>12.8</b>	<b>25.9</b>	<b>1.9</b>	<b>7.7</b>	<b>18.0</b>		

### CPR Detail

It should be noted that in the case of the porous permeable Portland reservoirs found at Horse Hill, Arreton and potentially at Holmwood, the CPR states that the implementation of secondary recovery by an early pressure maintenance scheme (i.e. produced water reinjection) could materially increase the recoverable volumes stated in the CPR. In the case of Horse Hill, the successful implementation of such a scheme is estimated by Xodus to lead to the recovery of a significant additional 8-14% of HIIP.

The CPR also discusses and references the potentially significant Kimmeridge Limestone Resources within the Horse Hill-1 and Broadford Bridge-1 oil discoveries, together with the wider Nutech and Schlumberger estimates of HIIP within UKOG's overall licences.

It should be noted that since Kimmeridge exploration and appraisal is still at an early stage, both Xodus and the Company consider the Kimmeridge assets are not yet at a sufficient level of definition where any meaningful Reserves or Resources can be assigned in accordance with Petroleum Resources Management System ("PRMS") reporting standards. However, the CPR states that the forthcoming Horse Hill-1 extended well test programme is expected to provide the necessary data to enable PRMS compliant Kimmeridge Limestone Reserve and Resource figures to be estimated at Horse Hill and by analogy for the wider Kimmeridge play. Given a positive Kimmeridge test outcome at Horse Hill, a further Kimmeridge CPR is planned to be undertaken in due course.

No resource estimates for the potentially significant eastwards extension of the Godley Bridge-1 Portland gas discovery into PEDL234 are included in the CPR. The Company believes that it is more pragmatic to wait until after the results of the Company's planned 2019 appraisal well and test to make such a determination.

The resource volumes described in the CPR were derived in accordance with PRMS (2007 and 2011) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers and reviewed and jointly sponsored by the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers. The results of this work have also been presented in accordance with AIM's Rules and Guidelines.

The Company is currently considering whether to seek to change its current investing company status via a re-admission to AIM as an operating company. Consequently, the CPR was compiled as part of the necessary preparations for such an event. Any such re-admission and change of trading status would be conditional on the publication of a re-admission document and shareholder consent to cease as an investment company. Further detail will be provided when the Company has finalised its future corporate growth strategy and plans.

### **Qualified Person's Statement**

Stephen Sanderson, UKOG's Executive Chairman, who has over 35 years of relevant experience in the oil industry, has approved the information contained in this announcement. Mr Sanderson is a Fellow of the Geological Society of London and is an active member of the American Association of Petroleum Geologists.

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### **Glossary:**

1C resources	denotes the low estimate scenario of Contingent Resources
2C resources	denotes the best or mid estimate scenario of Contingent Resources

3C resources	denotes the high estimate scenario of Contingent Resources
1P reserves	denotes the low estimate scenario of Reserves
2P reserves	denotes the best or mid estimate scenario of Reserves
3P reserves	denotes the high estimate scenario of Reserves
appraisal well	a well designed to determine the lateral extent of a discovered hydrocarbon accumulation or play
best (or mid) estimate	or P50, a 50% probability that a stated volume will be equalled or exceeded
Contingent Resources	Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status
discovery	a discovery is a petroleum accumulation for which one or several exploratory wells have established through testing, sampling and/or logging the existence of a significant quantity of potentially moveable hydrocarbons
high estimate	or P10, a 10% probability that a stated volume will be equalled or exceeded
hydrocarbons in place or oil in place or stock tank oil in place	the quantity of hydrocarbons or oil that is estimated to exist originally in naturally occurring accumulations before any extraction or production
low estimate	or P90, a 90% probability that a stated volume will be equalled or exceeded
oil field	an accumulation, pool or group of pools of oil in the subsurface. An oil field consists of a reservoir in a shape that will trap hydrocarbons and that is covered by an impermeable or sealing rock
prospect	a project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target
Prospective Resources	those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and chance of development
recoverable volumes or resources	those quantities of petroleum (oil in this case) estimated, as of a given date, to be potentially recoverable from known accumulations
Reserves	those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by development and production status
Risk Factor	"Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted. "Risk Factor" for Prospective Resources means the estimated chance, or probability, of geological success, i.e. of finding moveable hydrocarbons
Total Portfolio Recoverable Resources	the arithmetic sum of Reserves, Contingent Resources and Prospective Resources.

## UKOG Licence Interests

The Company has interests in the following UK licences:

Asset	Licence	UKOG's Interest	Licence Holder	Operator	Area (km <sup>2</sup> )	Status
Avington <sup>1</sup>	PEDL070	5%	UKOG (GB) Limited	IGas Energy Plc	18.3	Field currently shut in
Baxters Copse <sup>2</sup>	PEDL233	50%	UKOG Weald Limited	IGas Energy Plc	89.6	Appraisal/development well planned; licence extended to 2018
Broadford Bridge <sup>3</sup>	PEDL234	100%	Kimmeridge Oil & Gas Limited <sup>4</sup>	Kimmeridge Oil & Gas Limited <sup>4</sup>	300.0	BB-1 & 1z completed, 2 further planning applications under prep.
Holmwood <sup>3</sup>	PEDL143	40%	UKOG	Europa Oil & Gas (Holdings) plc	91.8	Holmwood-1 exploration well planned in 2018
Horndean <sup>1</sup>	PL211	10%	UKOG (GB) Limited	IGas Energy Plc	27.3	Field in stable production
Horse Hill <sup>5</sup>	PEDL137	32.435%	Horse Hill Developments Ltd <sup>6</sup>	Horse Hill Developments Ltd <sup>6</sup>	99.3	Production tests and further appraisal well(s) scheduled for 2018
Horse Hill <sup>5</sup>	PEDL246	32.435%	Horse Hill Developments Ltd <sup>6</sup>	Horse Hill Developments Ltd <sup>6</sup>	43.6	As above
Isle of Wight (Onshore) <sup>2, 3</sup>	PEDL331	65%	UKOG	UKOG	200.0	Preparing Arreton-3 oil discovery appraisal well planning submission
Markwells Wood <sup>2</sup>	PEDL126	100%	UKOG (GB) Limited	UKOG (GB) Limited	11.2	Revised drilling and testing planning application underway

Notes:

1. Oil field currently in production.
2. Oil discovery pending development and/or appraisal drilling.
3. Exploration asset with drillable prospects and leads. PEDL234 contains the Broadford Bridge-1 and 1z discovery well, the extension of the Godley Bridge Portland gas discovery plus further exploration prospects.
4. UKOG has a 100% interest in Kimmeridge Oil & Gas Limited, which has a 100% interest in PEDL234.
5. Oil discovery with successful flow test in 3 zones, further long-term testing scheduled in 2018
6. UKOG has a direct 49.9% interest in HHDL, which has a 65% interest in PEDL137 and PEDL246.

**The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014.**

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