

RNS Number : 7446U  
UK Oil & Gas Investments PLC  
20 October 2014

**This announcement amends and replaces the announcement "Acquisition Completion" made at 7:00am today with RNS Number: 6874U in which the percentage interest in Licence PEDL126, Markwells Wood was given incorrectly as 0% rather than 50%. All other details remain unchanged. The full amended text is shown below.**

**For Immediate Release**

**20 October 2014**

**UK Oil & Gas Investments PLC  
("UKOG" or the "Company")**

**UKOG completes acquisition of UK oil and gas assets**

The Board of UKOG (AIM: UKOG) is pleased to announce that it has today completed the acquisition of Northern Petroleum Plc's ("Northern Petroleum") UK production and exploration oil and gas licence interests for a total consideration of £1.5 million.

The licence interests acquired comprise: a 10% and 5% working interest in the producing Horndean and Avington Oilfields, respectively, in the Weald Basin, both of which are operated by IGas Energy Plc ("IGas"); a 50% interest in two further exploration licences in the Weald Basin; and a 65% interest in the offshore licence P1916 which flanks the western part of the Isle of Wight. In the year ended 31 December 2013, the average daily share of production amounted to approximately 20 barrels of oil.

As previously announced, the transaction was structured as the acquisition by UKOG of Northern Petroleum's three UK subsidiary

companies, Northern Petroleum (GB) Limited ("NPGBL"), NP Solent Limited ("NPSL") and NP Weald Limited ("NPWL"), with an effective date of 23 July 2014 (the "Effective Date") with all revenue following this date accruing to UKOG. The average daily share of production since the Effective Date was approximately 19 barrels of oil per day. In aggregate the companies acquired from Northern Petroleum reported turnover and gross profit amounted to €591,000 and €345,000 respectively in the year ended 31 December 2013.

**David Lenigas, the Company's Chairman, commented:**

"Completion of the investment is another transformational step for UKOG, as it provides us with an interest in established production and revenues. In addition, there is the potential provided by two oil discoveries and significant exploration prospects within proven oil and gas plays."

The consideration paid in cash by the Company to Northern Petroleum amounted to £1.5 million, which has been funded from the Company's existing resources. The base consideration paid by the Company in cash for each of NPGBL, NPSL and NPWL, was £1,311,999, £1 and £188,000 respectively.

**Competent Person's Statement**

The information contained in this announcement has been reviewed and approved by Matt Cartwright, advisor to UK Oil & Gas Investments PLC, who has over 30 years of relevant experience in the upstream oil & gas industry. Mr. Cartwright is a UK Chartered Engineer and a member of the Society of Petroleum Engineers.

**Horndean Oil Field (UKOG interest 10%)**

- Located in Hampshire, close to the Singleton and Storrington Oil Fields
- Discovered in 1983, commenced production in 1987
- Seven wells drilled to date into the Jurassic, Great Oolite

reservoir

- Produced oil is 39° API, transported by truck to the nearby Holybourne Oil Terminal
- Gross production peaked at 670 barrels per day (bopd) in 1993
- Production is currently from four wells, with average total production since 1 January 2014 of 154 bopd (gross)
- Gross cumulative production totals 2.4 million barrels
- Since the Effective Date, production has averaged 158 bopd (gross), UKOG net 16 bopd

#### **Avington Oil Field (UKOG interest 5%)**

- Located in Hampshire, close to the Stockbridge Oil Field
- Discovered in 1987, commenced production in 2007
- Five wells and side-tracks drilled to date into the Jurassic, Great Oolite reservoir
- Produced oil is 38° API, transported by truck to the Stockbridge Oil Field
- Gross production peaked at over 600 bopd in 2007
- Production is currently from two wells, with average total production since 1 January 2014 of 63 bopd (gross)
- Gross cumulative production totals 221,000 barrels
- Since the Effective Date, production has averaged 57 bopd (gross), UKOG net 3 bopd

#### **Offshore Isle of Wight (UKOG interest 65% and operator)**

Licence P1916, comprising offshore blocks 98/13a and 98/14a, is situated within the proven oil productive Triassic and Jurassic fairway of the SE Wessex Basin. Northern Petroleum's seismic mapping indicates that the licence contains one of the largest undrilled exploration prospects within the basin's main productive fairway.

The prospect lies immediately adjacent to the pronounced Purbeck-Isle of Wight east to west structural trend that is intimately associated with the onshore Wytch Farm Oil Field (490 million barrels production to date), Kimmeridge Bay Oil Field and the offshore 98/11-2 and 98/7-2 gas/condensate discoveries.

The results of offshore and onshore wells drilled adjacent to the licence are strongly indicative that the licence sits in an analogous setting to the Wytch Farm field and other nearby discoveries and contains well developed Triassic Sherwood Sandstone reservoir rocks and Liassic age source rocks that are thermally mature and hydrocarbon generative.

Additional secondary potential also exists in shallower Jurassic limestone and sandstone reservoirs proven by offset wells.

**Licence PEDL 233, Baxters Copse (UKOG interest 50%):**

- Located in Hampshire, adjacent to the Singleton Oil Field
- Baxters Copse was discovered in 1983, with oil in the Jurassic, Great Oolite reservoir
- The licence also contains the Burton Down and Selhurst Park prospects
- The operator plans to drill a Baxters Copse appraisal well in 2015

**Licence PEDL126, Markwells Wood (UKOG interest 50% and operator)**

- Located in Hampshire, immediately east of the Horndean Oil Field
- Markwells Wood was discovered in 2011, with oil in the Jurassic, Great Oolite reservoir
- UKOG will evaluate this discovery, including giving consideration to drilling a side-track of the Markwells Wood discovery well, in order to appraise the discovery

**Glossary:**

API	- American Petroleum Institute
bopd	- barrels of oil per day
prospect	- a potential accumulation that is sufficiently well defined to represent a viable drilling target
play	- a prospective trend of potential prospects, but which requires more data acquisition and/or

evaluation in order to define specific prospects  
prospective resources - those quantities of petroleum which are  
estimated, as of a given date, to be  
potentially recoverable from  
undiscovered accumulations.

**For further information, please contact:**

**UK Oil& Gas Investments PLC** Tel: 020 7440 0640

David Lenigas / Donald Strang

**Beaumont Cornish (Nominated Adviser)** Tel: 020 7628 3396

Roland Cornish / Michael Cornish

**Hume Capital Securities PLC (Corporate  
Broker)** Tel: 020 7101 7070

David Lawman

**Square 1 Consulting (Public Relations)** Tel: 020 7929 5599

David Bick/Mark Longson

ENDS

This information is provided by RNS  
The company news service from the London Stock Exchange

END