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**UK Oil & Gas Investments PLC**

**(“UKOG” or the “Company”)**

**Further Update on Flow Test**

**Horse Hill-1 Oil Discovery, Weald Basin, UK**

**Further Significant Oil Flows to Surface from Lower Kimmeridge Limestone**

Following the announcement on 16 February 2016, UK Oil & Gas Investments PLC (London AIM and ISDX: UKOG) announces that Horse Hill Developments Limited (“HHDL”) has informed the Company that light, 40-degree API, sweet oil has continued to flow naturally to surface from an 80-foot zone within the Lower Kimmeridge limestone interval at a depth of approximately 900 metres below ground level.

Flow re-commenced at around 07.45 am GMT yesterday at a steady oil rate in excess of 456 barrels of oil per day over a further 9.5-hour period using a smaller 28/64-inch choke in order to further stabilise the flow. Yesterday’s flow consisted of dry oil with zero water.

As previously announced, Phase 2 and Phase 3 operations will move to the shallower Upper Kimmeridge limestone and Portland sandstone zones at approximately 840 and 615 metres below ground level, respectively, once the Lower Kimmeridge testing is completed.

The HH-1 discovery well, the original exploration drilling phase originally completed at the end of 2014, is located within onshore exploration Licence PEDL137, on the northern side of the Weald Basin near Gatwick Airport. UKOG owns a 20.163% interest in PEDL137.

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

“The well continues to produce high quality oil at good rates. Although further work is required to be done, we are now beginning to establish the commerciality of the project earlier than originally anticipated. The first two tankers full with 348 barrels of oil were sent to be refined at noon yesterday.”

**UKOG's interest in Horse Hill**

The HH-1 well is located within onshore exploration Licence PEDL137, on the northern side of the Weald Basin near Gatwick Airport. UKOG owns a 30% direct interest in HHDL and a 1.02% interest in HHDL via its 6% interest in Angus Energy Limited. HHDL is a special purpose company that owns a 65% participating interest and operatorship of Licence PEDL137 and the adjacent Licence PEDL246 in the UK Weald Basin.

**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.

**For further information, please contact:**

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**Glossary**

choke	Device incorporating a fixed or variable orifice that is used to control fluid flow rate during testing of an exploratory discovery
degree API	A measure of the density of crude oil as defined by the American Petroleum Institute
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
extended flow test	a flow test, as per the permission granted by the Oil and Gas Authority, with an aggregate flow period duration over all zones of greater than 96 hours and up to 90 days maximum.
flow test	a flow test or well test involves testing a well by flowing hydrocarbons to surface, typically through a test separator. Key measured parameters are oil and gas flow rates, downhole pressure and surface pressure. The overall objective is to identify the well's capacity to produce hydrocarbons at a commercial flow rate
limestone	a sedimentary rock predominantly composed of calcite (a crystalline mineral form of calcium carbonate) of organic, chemical or detrital origin. Minor amounts of dolomite, chert and clay are common in limestones. Chalk is a form of fine-grained limestone
sandstone	a clastic sedimentary rock whose grains are predominantly sand-sized. The term is commonly used to imply consolidated sand or a rock made of predominantly quartz sand.
sweet oil or crude	A type of oil that contains less than 0.42% Sulphur

**Notes to Editors:**

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 in stable production.
Baxters Copse <sup>2</sup>	PEDL233	50%	UKOG Weald Limited	IGas Energy Plc	89.6	Reviewing economics of appraisal/development well.
Brockham <sup>1</sup>	PL234	3.6%	Angus Energy <sup>5</sup>	Angus Energy <sup>5</sup>	8.9	Drilling of sidetrack well being considered.

Holmwood <sup>3</sup>	PEDL143	30%	UKOG	Europa Oil & Gas (Holdings) plc	91.8	H-1 exploration commitment well planned.
Horndean <sup>1</sup>	PL211	10%	UKOG (GB) Limited	IGas Energy Plc	27.3	Field in stable production.
Horse Hill <sup>4</sup>	PEDL137	20.163%	Horse Hill Developments Ltd <sup>6</sup>	Horse Hill Developments Ltd <sup>6</sup>	99.3	Extended flow testing of HH-1
Horse Hill <sup>4</sup>	PEDL246	20.163%	Horse Hill Developments Ltd <sup>6</sup>	Horse Hill Developments Ltd <sup>6</sup>	43.6	Extended flow testing of HH-1
Isle of Wight (Offshore) <sup>3</sup>	P1916	77.5%	UKOG Solent Limited	UKOG Solent Limited	46.7	Preparing drilling planning submission
Isle of Wight (Onshore) <sup>2 3</sup>	PEDL331	65%	UKOG	TBA	200.0	Preparing drilling planning submission
Lidsey <sup>1</sup>	PL241	4.2%	Angus Energy <sup>5</sup>	Angus Energy <sup>5</sup>	5.3	Drilling of infill well being considered.
Markwells Wood <sup>2</sup>	PEDL126	100%	UKOG (GB) Limited	UKOG (GB) Limited	11.2	Compiling Field Development Plan.

**Notes:**

1. Oil field currently in production.
2. Oil discovery pending development and/or appraisal drilling.
3. Exploration asset with drillable prospects and leads.
4. Oil discovery pending flow testing.
5. UKOG has a 6% interest in Angus Energy. Angus Energy has a 70% interest in Lidsey and a 60% interest in Brockham.
6. UKOG has a direct 30% interest in HHDL, plus an indirect 1.02% interest via Angus Energy. HHDL has a 65% interest in PEDL137 and PEDL246.