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UK Oil & Gas Investments PLC
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For Immediate Release

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

Update on newly acquired UK oil assets

The Board of UKOG (AIM: UKOG) is pleased to announce that it has received US$50,651 for the month of October 2014 from IGas Energy Plc ("IGas") for UKOG's share of oil production from the Horndean and Avington oil fields which formed part of the recently acquired Northern Petroleum Plc's ("NOP") UK production and exploration oil and gas licence interests. The effective date of the NOP transaction was 23 July 2014.

An updated corporate presentation, including reserves and resources, summarising the newly acquired interests in the Horndean and Avington oil fields, plus the Isle of Wight, Baxters Copse and Markwells Wood licences, will be available shortly on the Company's website at www.ukogplc.com.

David Lenigas, the Company's Chairman, commented:
"Our recently completed review of the NOP interests has highlighted the long-life revenue potential of the newly acquired Horndean and Avington oil fields and also the significant exploration and development potential that exists in the Company's expanded UK acreage."

Asset Summary:

The following tables, which set out the estimates of Reserves for Horndean and Avington and Contingent Resources for Baxters Copse, have been extracted without material amendment or adjustment (other than the calculation of net attributable interest), from the Competent Person's Report (independent reserves evaluation, "CPR") prepared by Senergy (GB) Limited ("Senergy"), dated July 2014, and which has been provided to UKOG by IGas, the operator. The Senergy CPR is available at the following publicly available link:

http://www.igasplc.com/media/10852/competent-persons-report-2014.pdf

Senergy confirmed in its CPR that in respect of the Standard used in reporting the information, Senergy had used the definitions and guidelines set out in the 2007 Petroleum Resources Management System prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE).

Horndean oil field, PL 211 (UKOG interest 10%, operated by IGas)

- 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
- IGas' 2014/15 forecast for production, from four wells, is around 150 bopd (gross)
- Gross cumulative production totals 2.39 million barrels ("mmbbl", at 23 July 2014), Source: IGas' weekly production reports

- Production is expected to continue for a further 33 years (Source: Senergy, CPR July 2014, Table 2.21).

Horndean reserves

- IGas' most recent CPR on Horndean was prepared by Senergy in July 2014, with an effective date of 1 January 2014
- With IGas' consent, UKOG has published below Horndean's reserves, which have been extracted without any material amendment or adjustment from the Senergy CPR
- Senergy's estimates of Horndean's gross reserves are provided below in Table 1, for the three cases of Proven ("1P") reserves, Proven plus Probable ("2P") reserves and Proven plus Probable plus Possible ("3P") reserves
- Net attributable reserves has been calculated by UKOG management based on the Company's 10% interest in the Horndean licence
- Since 1 January 2014, actual Horndean gross production has been 0.031 mmbbl
- On the basis that the economic parameters used by Senergy in their CPR still remain unchanged, UKOG's management calculation of its net attributable (10%) reserves at 23 July 2014 as reduced by production are: 1P 0.0686 mmbbl, 2P 0.0825 mmbbl, 3P 0.1112 mmbbl.

Table 1: Estimated Horndean Reserves (Source: Senergy CPR July 2014, Section 2.4.7, p19)

mmbbl (as at 31 January 2014)	Gross			Net Attributable (10%)			Operator
	1P	2P	3P	1P	2P	3P	
Oil Reserves	0.717	0.856	1.143	0.0717	0.0856	0.1143	IGas

Note: In accordance with Appendix 3 of the AIM Note for Mining and Oil and Gas Companies June 2009 the Company has calculated its net attributable interest which are those reserves attributable to the Company based on its 10% interest in the Horndean licence

Avington oil field, PEDL 070 (UKOG interest 5%, operated by IGas)

- 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
- IGas' 2014/15 forecast for production, from two wells, is around 60-70 bopd (gross)
- Gross cumulative production totals 221,000 barrels, at 23 July 2014: Source: IGas' weekly production reports
- Production is expected to continue for a further 7 years (Source: Senergy CPR July 2014, Table 2.18).

Avington reserves

- IGas' most recent CPR on Avington was prepared by Senergy in July 2014, with an effective date of 1 January 2014
- With IGas' consent, UKOG has published below Avington's reserves, which have been extracted without any material amendment or adjustment from the Senergy CPR
- Senergy's estimates of Avington's gross reserves are provided below in Table 2, for the three cases of 1P reserves, 2P reserves and 3P reserves
- Net attributable reserves has been calculated by UKOG management based on the Company's 5% interest in the Avington licence
- Since 1 January 2014, actual Avington gross production has been 0.013 mmbbl
- Therefore, on the basis that the economic parameters used by Senergy in their CPR still remain unchanged, UKOG's management calculation of its net attributable (5%) reserves at 23 July 2014 as reduced by production are as: 1P 0.00135 mmbbl, 2P 0.00250 mmbbl, 3P 0.00560 mmbbl.

Table 2: Estimated Avington Reserves (Source: Senergy CPR July 2014, Section 2.4.2, p16)

mmbbl (as at 31 January 2014)	Gross			Net Attributable (5%)			Operator
	1P	2P	3P	1P	2P	3P	
Oil Reserves	0.040	0.063	0.125	0.0020	0.00315	0.00625	IGas

Note: In accordance with Appendix 3 of the AIM Note for Mining and Oil and Gas Companies June 2009 the Company has calculated its net attributable interest which are those reserves attributable to the Company based on its 5% interest in the Avington licence

Offshore Isle of Wight, P 1916 (UKOG interest 65% and operator)

- Located offshore, SW of Isle of Wight
- The licence was awarded to a bidding group led by NOP in July 2012
- In order to extend the licence into a second term, a well has to be drilled by February 2016
- If no drilling takes place, the licence will be relinquished ("drill or drop").

Prospectivity

- The P 1916 licence contains a large drill-ready prospect ("M") and one lead
- This prospect and lead contain stacked reservoir objectives in the Triassic Sherwood sandstone and overlying Jurassic limestones and sandstones
- 2D seismic mapping demonstrates the M prospect extends into the adjacent onshore Isle of Wight
- Regional geochemical studies indicate the P 1916 area likely received a hydrocarbon charge from the immediate south and southwest of the block from thermally mature oil-prone Liassic and Oxford Clay shales
- UKOG is investigating the possibility that early oil-mature Kimmeridge Clay hot shales might also have directly charged interbedded Kimmeridge limestones, analogous to the Kimmeridge and Balcombe fields and as interpreted from the preliminary results of UKOG's Horse Hill-1 well

- UKOG has applied (with Angus Energy Limited and Solo Oil plc) for the adjacent onshore acreage in the UK 14th Landward Licencing Round.

Baxters Copse oil discovery, PEDL 233 (UKOG interest 50%, Operated by IGas)

- 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.

Baxters Copse Contingent Resources

- IGas' most recent CPR on Baxters Copse was prepared by Senergy in July 2014, with an effective date of 1 January 2014
- With IGas' consent, UKOG has published below Baxters Copse Contingent Resources, which have been extracted without any material amendment or adjustment from the Senergy CPR
- Senergy's estimates of Baxters Copse Contingent Resources are provided below in Table 3, for the three cases of Low ("1C") Contingent Resources, Best ("2C") Contingent Resources and High ("3C") Contingent Resources
- Baxters Copse is an undeveloped discovery
- Net attributable Contingent Resources has been calculated by UKOG management based on the Company's 50% interest in the Baxters Copse licence.

Table 3: Estimated Baxters Copse Contingent Resources (Source: Senergy CPR July 2014, Section 2.4.3, p17)

mmbbl (1 January 2014)	Gross			Net Attributable (50%)			Operator
	1C	2C	3C	1C	2C	3C	
Contingent Resources	3.114	4.671	6.228	1.557	2.336	3.114	IGas

Note: In accordance with Appendix 3 of the AIM Note for Mining and Oil and Gas Companies June 2009 the Company has calculated its net attributable interest which are those Contingent Resources attributable to the Company based on its 50% interest in the Baxters Copse licence

Markwells Wood, PEDL 126 (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, with a 6-month extended well test carried out by NOP
- 3,931 barrels was produced during the extended well test, with a peak flowrate of 53 barrels per day
- The discovery is believed to be an eastern extension of the Horndean oil field
- 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
- Reserves: no CPR has yet been carried out since the drilling of the Markwells Wood discovery well (MW-1).

Qualified Person's Statement:

The information contained in this presentation has been reviewed and approved by Matt Cartwright, Business Advisor and Stephen Sanderson, Exploration Advisor to UK Oil & Gas Investments PLC. Mr. Cartwright has over 31 years of relevant experience in the oil industry. He is a UK Chartered Engineer and a member of the Society of Petroleum Engineers. Mr. Sanderson has over 33 years of relevant experience in the oil industry. Mr. Sanderson is a Fellow of the Geological Society of London and is an active member of the American Association of Petroleum Geologists.

GLOSSARY OF TERMS

Term	**Meaning**
2D seismic	Seismic data collected using the two-dimensional common depth point method

1P Reserves	Equivalent to Proved Reserves: denotes the low estimate scenario of Reserves
2P Reserves	Equivalent to the sum of Proved plus Probable Reserves: denotes the best estimate scenario of Reserves
3P Reserves	Equivalent to the sum of Proved plus Probable plus Possible Reserves: denotes the high estimate scenario of Reserves
1C Resources	Denotes the low estimate scenario of Contingent Resources
2C Resources	Denotes the best estimate scenario of Contingent Resources
3C Resources	Denotes the high estimate scenario of Contingent Resources
API	American Petroleum Institute; API gravity, usually expressed as ° API, is a measure of how heavy or light a petroleum liquid is compared to water
bopd	Barrels of oil per day
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.
Lead	A potential accumulation that is not yet sufficiently well defined to represent a viable drilling target
mmbbl	Millions of barrels of oil
Proved	Proved Reserves are those quantities of petroleum,

	which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.
Proved plus Probable	Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.
Proved plus Probable plus Possible	Possible Reserves are those additional reserves which analysis of geo-science and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) Reserves, which is equivalent to the high estimate scenario. In this context, when probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.
Reserves	Reserves are 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 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 development and production status.
Side-track	Re-entry of a well from the well's surface location with drilling equipment for the purpose of deviating from the existing well bore to achieve production or well data from an alternative zone or bottom hole location, or to remedy an engineering problem encountered in the existing well bore.

For further information, please contact:

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