

RNS Number : 2321K
Stellar Resources PLC
15 April 2015

15 April 2015

**Stellar Resources plc
("Stellar Resources" or "the Company")**

**Clarification of Press Comment
in relation to 9 April Announcement**

Stellar Resources plc (AIM: STG) announces that UK Oil & Gas Investments Plc ("UKOG") has made the following news release with respect to its announcement of 9 April regarding the Horse Hill -1 well in the UK's Weald Basin.

Stellar Resources interest in Horse Hill:

The Horse Hill-1 well is located within onshore exploration license PEDL 137, on the northern side of the Weald Basin near Gatwick Airport. Stellar Resources owns a 10% direct interest in Horse Hill Developments Ltd ("HHDL"). HHDL is a special purpose company that owns a 65% participating interest and operatorship of licence PEDL 137 and the adjacent licence PEDL 246 in the UK Weald Basin. The participants in the Horse Hill-1 well are HHDL with a 65% working interest and Magellan Petroleum Corporation with a 35% interest.

Enquiries:

Stellar Resources plc

Donald Strang

+44 (0) 20 7440 0640

Cairn Financial Advisers LLP:

James Caithie / Carolyn Sansom

+44 (0) 20 7148 7900

Public Relations:

+44 (0) 20 7929 5599

Square 1 Consulting Ltd

David Bick/Mark Longson

UKOG news Release of 9 April 2015 in full is as follows:

Further to its announcement of 9 April 2015 in relation to the upgrade of its Horse Hill discovery, London quoted UK Oil & Gas Investments PLC (LSE AIM: UKOG) wishes to repeat and clarify a number of points as a result of recent reports in the media.

US-based Nutech Ltd ("Nutech") estimates that the Horse Hill-1 ("HH-1") well in the Weald Basin has a total oil in place ("OIP") of 158 million barrels ("MMBO") per square mile. The upgrade is in relation to the Kimmeridge, Oxford and Lias sections of Horse Hill and does not relate to the previously reported Upper Portland Sandstone oil discovery.

The OIP hydrocarbon volumes estimated should not be considered as either contingent or prospective resources or reserves.

The Horse Hill licences cover 55 square miles of the Weald Basin in southern England in which the Company has a 20.358% interest. It is estimated that the relevant Jurassic section of the Weald Basin is approximately 1,100 square miles. The Company has not undertaken work outside of its licence areas sufficient to comment on the possible OIP in either the approximate 1,100 square miles or the whole of the Weald Basin.

Further development work in the form of appraisal drilling, well testing and assessment of recovery factors will be required to seek to quantify net resources in relation to the Company's licence areas and to prove its commerciality.

Nutech's report to the Company states this OIP of HH-1 lies within a

653 feet aggregate net pay section, primarily within three argillaceous limestones and interbedded mudstones of the Kimmeridge, and the mudstones of the Oxford and Lias sections. Approximately 72% of OIP, or 114 MMBO, lies within the Upper Jurassic Kimmeridge interbedded limestone and mudstone sequence.

In order to establish estimates of total OIP within the licence areas, the semi-regional resource potential of the Weald Basin's eastern footprint is the subject of ongoing analysis under the contracted alliance between Nutech, UKOG and Solo Oil Plc. The results of the estimated OIP within the licence will be reported when completed.

Final assessments of the Upper Portland Sandstone and the Oxford and Lias sections are in progress, with further results expected shortly.

The executive summary of the Nutech report is available on the Company's website at www.ukogplc.com.

UKOG's interest in Horse Hill:

The Horse Hill-1 well is located within onshore exploration License PEDL137, on the northern side of the Weald Basin near Gatwick Airport. UKOG owns a 30% direct interest in Horse Hill Developments Ltd ("HHDL") and a 1.32% 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 CEO, who has over 30 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:

UK Oil & Gas Investments PLC
David Lenigas / Donald Strang
Tel: 020 7440 0640

WH Ireland (Nominated Adviser and Broker)
James Joyce / Mark Leonard
Tel: 020 7220 1666

Square 1 Consulting (Public Relations)
David Bick / Mark Longson
Tel: 020 7929 5599

Glossary:

argillaceous limestone	a limestone containing a significant proportion of clay minerals
contingent resources	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 characterised 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

limestone	a carbonate sedimentary rock predominantly composed of calcite 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
MMBO	millions of barrels of oil
mudstone	an extremely fine-grained sedimentary rock consisting of a mixture of clay and silt-sized particles
net resources	ownership interest share of resources
oil in place (OIP)	the quantity of oil or petroleum that is estimated to exist originally in naturally occurring accumulations before any extraction or production
pay	a reservoir or portion of a reservoir that contains economically producible hydrocarbons. The term derives from the fact that it is capable of "paying" an income. The overall interval in which pay sections occur is the gross pay; the smaller portions of the gross pay that meet local criteria for pay (such as minimum porosity, permeability and hydrocarbon saturation) are net pay
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 a chance of development; prospective resources are further sub-divided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity
recovery factor	those quantities of petroleum, as a proportion of OIP anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under

	defined conditions
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 categorized 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
reservoir	a subsurface rock formation containing an individual natural accumulation of moveable petroleum that is confined by impermeable rock/formations
resources	the total of contingent resources and prospective resources
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.

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

END