

04 January 2016

**UK Oil & Gas Investments PLC**

**(“UKOG” or the “Company”)**

**Horse Hill-1 Oil Discovery, Weald Basin, UK  
Final Flow Test Consent from the UK Oil and Gas Authority**

UK Oil & Gas Investments PLC (London AIM and ISDX: UKOG) announces that it has been notified by Horse Hill Developments Limited (“HHDL”) that the Oil and Gas Authority (“OGA”) has granted consent for an extended flow test over three separate zones in the Horse Hill-1 (“HH-1”) oil discovery well. All necessary permissions to test the well are now in place.

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

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

“The extended test will provide the Company with a very definitive start to the New Year. We look forward to safe and successful operations.”

**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 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:**

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**Glossary**

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
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
extended flow test permit	OGA approval to flow test a well with an aggregate flow period over all zones of up to 90 days. Normal flow test approval is for an aggregate flow period of up to 96 hours

### 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	Holmwood-1 exploration 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	Flow testing of HH-1 planned.
Horse Hill <sup>4</sup>	PEDL246	20.163%	Horse Hill Developments Ltd <sup>6</sup>	Horse Hill Developments Ltd <sup>6</sup>	43.6	Flow testing of HH-1 planned.
Isle of Wight (Offshore) <sup>3</sup>	P1916	77.5%	UKOG Solent Limited	UKOG Solent Limited	46.7	M Prospect exploration well planned.
Isle of Wight (Onshore) <sup>2,3</sup>	14th Round	65%	UKOG	TBA	200.0	Licence offered in 14th Round.
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.