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Solo Oil Plc
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**SOLO OIL PLC**
**("Solo" or the "Company")**

## Upgrade to Horse Hill Conventional Portland Sandstone Oil in Place Volumes

Solo is pleased to announce that its technical alliance partner in the Horse Hill discovery in the UK Weald Basin, UK Oil and Gas Investments plc ("UKOG"), has released a further update based on the technical work being conducted by UKOG and the Xodus Group.

UKOG has announced a substantial upgrade to the previously announced conventional Stock Tank Oil Initially in Place ("STOIIP") volumes estimated for the overall Upper Portland Sandstone conventional reservoir in the Horse Hill-1 ("HH-1") and Collendean Farm-1 ("CF-1") structure within the PEDL137 licence area in the Weald Basin, where Solo holds a 6.5 percent interest. This revised STOIIP is separate to the oil-in-place volumes estimated for the argillaceous limestones and mudstones of the Kimmeridge, Oxford and Lias rock sections of the HH-1 well, reported on 9 April and 15 April 2015.

An independent study of the Portland Sandstone reservoir has been conducted for UKOG by Xodus Group ("Xodus") an international energy consultancy based in the UK. The study is based on new petrophysical evaluations of both the HH-1 discovery and the older CF-1 well, plus an updated interpretation of 2D seismic data across the licence and is available on UKOG's website.

The HH-1 and CF-1 discovery lies within an approximately 100-foot thick, Upper Portland Sandstone gross reservoir interval, within a 6 kilometre by 3 kilometre tilted fault block structure as defined by existing 2D seismic. The crest of the Upper Portland conventional oil discovery lies at approximately 1,760ft TVDSS and extends over a mapped maximum areal closure of approximately 2,000 acres (approximately 3 square miles). The equivalent Upper Portland reservoir is productive at the nearby Brockham field, some 9 kilometres to the north-north-west.

Xodus calculate that theUpper Portland Sandstone conventional reservoir contains a "Best Estimate" (P50) gross STOIIP of 21.0 million barrels ("mmbbls") entirely within PEDL137 and encompasses both the HH-1 and CF-1 wells. This is an increase of 12.8 mmbbls from the 8.2 mmbbls (P50) gross STOIIP reported on 17 December 2014. This results largely from the new petrophysical evaluation of HH-1 and CF-1 electric logs.

The Upper Portland is the uppermost, conventional, oil-saturated reservoir found in the HH-1 and CF-1 wells. It overlies, and is entirely separate from, the Kimmeridge, Oxford and Lias oil-saturated argillaceous limestone and mudstone rock sections reported on 9 April and 15 April 2015. These deeper intervals continue to be under evaluation by UKOG and further results for the Oxford and Lias intervals are expected shortly.

The gross Upper Portland STOIIP ranges estimated by Xodus are as per the table below:

| **STOIIP (mmbbls) Gross 100%** | **Low (P90)** | **Best (P50)** | **High (P10)** | **Mean** |
|---|---|---|---|---|
| Upper Portland | 14.3 | 21.0 | 30.4 | 21.8 |

Oil in place hydrocarbon volumes (STOIIP) should not be construed

as recoverable resources or reserves. Meaningful estimates of recoverable oil within the Upper Portland can best be made following the proposed HH-1 flow test (see below) and a significant proportion of the STOIIP will not be recovered during any future production.

Subject to approval by the relevant authorities, the operator intends to flow test the conventional Portland sandstone zone as part of a wider test programme of the HH-1 well later in 2015. A successful test would then be followed by a full technical resource assessment, and the identification of potentially recoverable resource volumes.

UKOG has stated that the operator, Horse Hill Developments Ltd, intends, on receipt of favourable test results, to engage with the Oil and Gas Authority ("OGA") and other regulators, in order to seek to move the PEDL137 licence into the Production Period as soon as practicable, via submission of a Field Development Plan to the OGA. The PEDL137 licence is currently in the exploration phase and expires on 30 September 2015. HHDL has applied for a one-year extension of the exploration phase to 30 September 2016, news of which is awaited.

**Neil Ritson, Solo's Chairman, commented:**

"This report from Xodus clearly supports Solo's existing view that there is a worthwhile sized, and potentially commercial, discovery in the conventional sandstone reservoirs in the Upper Portland at Horse Hill and we look forward to the results of the planned flow test."

**Solo's interest in Horse Hill:**

Solo owns a 10 percent interest in Horse Hill Developments Ltd ("HHDL"), a special purpose company which owns a 65% participating interest and operatorship of onshore licences PEDL137 and the adjacent licence PEDL 246 in the UK Weald Basin. HHDL with a 65% working interest in PEDL137 and Magellan Petroleum

Corporation with a 35% interest. Solo consequently has a net interest in PEDL137 and PEDL246 of 6.5 percent.

**Qualified Person's Statement:**

The information contained in this announcement has been reviewed and approved by Neil Ritson, Chairman and Director for Solo Oil Plc who has over 35 years of relevant experience in the oil industry. Mr. Ritson is a member of the Society of Petroleum Engineers, an Active Member of the American Association of Petroleum Geologists and is a Fellow of the Geological Society of London.

**For further information:**


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**Glossary:**

| | |
|---|---|
| argillaceous limestone | a limestone containing a significant proportion of clay minerals |
| clastic | rocks composed of broken pieces of older rocks |
| 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 |
| electric logs | tools used within the wellbore to measure the rock and fluid properties of surrounding rock formations |
| limestone | a carbonate sedimentary rock predominantly composed of calcite of organic, chemical or detrital origin |
| mmbbls | million barrels |
| mudstone | an extremely fine-grained sedimentary rock consisting of a mixture of clay and silt-sized particles |
| oil initially in place | the quantity of oil or petroleum that is estimated to exist originally in naturally occurring accumulations before any extraction or production |
| petrophysical evaluation | the study of physical and chemical rock properties and their interactions with fluids; studies typically use well logs, well cores and seismic data |
| P10 | a 10% probability that a stated volume will be equaled or exceeded |
| P50 | a 50% probability that a stated volume will be equaled or exceeded |
| P90 | a 90% probability that a stated volume will be equaled or exceeded |
| recovery or recoverable | the quantity or portion of petroleum, here oil and gas, initially-in-place that can be extracted by a well or wells to the surface |
| resources | the Society of Petroleum engineers ("SPE") defines as all quantities of petroleum, here oil and gas, which are estimated to be initially-in-place; however, some users consider only the estimated |

| | |
|---|---|
| | recoverable portion to constitute a resource |
| reserves | reserves are defined by the SPE as those quantities of petroleum, here oil and gas, which are anticipated to be commercially recovered from known accumulations from a given date forward |
| reservoir | a subsurface rock formation containing an individual natural accumulation of moveable petroleum that is confined by impermeable rock/formations |
| 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 |
| seismic | use of reflected and refracted sound waves generated at the surface to ascertain the nature of the subsurface geological structures. 2D seismic records a two dimensional cross-section through the subsurface collected using the two-dimensional common depth point method |
| STOIIP | stock tank oil initially in place |
| TVDSS | true vertical depth below a subsea datum |



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