UK OIL & GAS INVESTMENTS PLC
("UKOG" or the "Company)

Unaudited results for the six-month period ended 31 March 2017

KEY HIGHLIGHTS TO DATE (during and post-period)

- Broadford Bridge-1 ("BB-1") step-out exploration well spudded post period-end in UKOG's 100% owned, 300 km^2 PEDL234 Weald Basin licence.
- Coring of the first BB-1 Kimmeridge Limestone reservoir target has been successfully completed. Mobile light oil was observed seeping from multiple sections of fractured limestones and calcareous shales within the cores. Wet gas readings maintained high levels throughout the coring and mobile oil was also recovered from the drilling fluid. Coring continues at the time of writing, to be followed by electric logging, well completion and flow testing.
- £6.5 million raised from institutional investors via a share placing post-period end.
- 72% increase in UKOG's total gross attributable P50 KCF OIP to 17.1 billion barrels in Weald Basin licence interests.
- 348% increase in total UKOG net attributable KL OIP to 2.4 billion barrels via PEDL234 acquisition.
- PEDL234 Kimmeridge Clay Formation ("KCF") P50 oil in place ("OIP") calculated by Nutech at 7.1 billion barrels, of which 1.7 billion barrels lie within Kimmeridge Limestones ("KL").
- Planning application submitted in October for further Horse Hill-1 ("HH-1") production testing and drilling of 2 new wells. First stable oil production target of end-2018/first quarter 2019.
- HH-1 Portland oil discovery's OIP increased by 53% to 32 million barrels. Gross 2C contingent resources were estimated at 1.5 million barrels with further significant recoverable resource upside via early water re-injection.
- Horse Hill PEDL137 and PEDL246 Retention Areas extended by the Oil and Gas Authority ("OGA") to 2021.
- Allen D Howard was appointed as a Non-Executive Director of UKOG in March. Allen is a Senior Vice President of Premier Oilfield Laboratories in Houston. Allen was previously Chief Operating officer of Nutech.
- Cenkos Securities plc were appointed as UKOG's joint broker.
- Stable oil production continued from Horndean and Avington fields.
- Sadly, UKOG Executive Director Jason Berry died suddenly in November 2016.

CHAIRMAN'S STATEMENT

I am pleased to present the unaudited results of UK Oil & Gas Investments PLC for the six-month period ended 31 March 2016. This period has seen highly significant success and growth of our investments in the march towards monetising UKOG's growing portfolio of conventional oil exploration and appraisal assets in the south-east of England.

We are firmly on course along our defined two-year operational programme, structured to build firmly upon the significant positive results at our Horse Hill site near Gatwick Airport in March 2016. The key first step along this journey is now underway at our Broadford Bridge drilling site.

BB-1, located near Billingshurst, West Sussex, lies within the Company's 300 km² PEDL234 licence, operated by our wholly-owned subsidiary, Kimmeridge Oil & Gas Limited. The well, an exploration step-out, will penetrate four naturally-fractured Kimmeridge Limestone units (KL1-KL4), the uppermost two units of which flowed at a record aggregate rate of 1365 barrels of oil per day at HH-1.

The BB-1 exploration well target was purposely chosen to test a Kimmeridge geological feature that has no discernible conventional structural or stratigraphic oil trapping configuration. Consequently, in the success case, the presence of mobile oil within the Kimmeridge, would confirm beyond reasonable doubt that the naturally fractured Kimmeridge Limestone reservoir targets lie within a continuous moveable oil deposit stretching 30 plus km across the wider Weald Basin.

The well is currently drilling and coring through the uppermost Kimmeridge Limestones at an inclination of around 50 degrees to vertical and approximately 90 degrees to the predicted orientation of open natural fractures in the reservoir. As the fractures are expected to be mostly vertical, the well trajectory thus maximises the amount of fractured Kimmeridge rock encountered by the drill bit.

Drilling commenced at BB-1 at the end of May 2017, and in mid-June we began one of the most comprehensive coring programmes ever carried out in an oil exploration well in the UK. To date, we have recovered around 400 ft of 4-inch diameter core and are continuing onwards. The geological information in the core has already provided us with key new insights into the Kimmeridge reservoir and its potential commerciality.

I am delighted to inform shareholders that the discovery of light, mobile oil, seeping out of fractured Kimmeridge limestones and shales, corroborates our pre-drill prediction that both BB-1 and HH-1 are likely part of the same Kimmeridge oil deposit. The presence of such mobile oil outside of any structural or stratigraphic trapping mechanism provides significant supportive evidence that the Kimmeridge section across the central area of the Weald Basin contains a continuous oil deposit of national significance. I believe this result will be transformational for the Company.

I had the privilege, along with our key staff and operations team, to witness the first cores being brought to surface and saw, smelt and touched the oil seeping from the uppermost Kimmeridge Limestone.

Mobile light oil continued to be observed seeping from multiple sections of fractured calcareous shales and limestones within the cored Kimmeridge section. Wet gas readings also maintained high levels throughout the coring, being near identical to those seen at the HH-1 Kimmeridge Limestone oil discovery, around 30 km to the north-east.

These live oil seeps and shows, together with confirmation that both shales and limestones are fractured over multiple zones, also corroborate the findings from HH-1 that oil production was likely derived from a much larger reservoir "tank" than the two perforated and tested KL3 and KL4 reservoir zones.

Consequently, the possibility that we have encountered a single, significant naturally-fractured oil reservoir section, potentially up to 1000 ft thick and encompassing all four Kimmeridge Limestones over the wider-Weald, will now be rigorously examined during the remaining coring and subsequent flow testing. The flow testing programme is due to start around mid-July and continue into September 2017.

The core samples taken to date are now undergoing extensive geological, petrophysical and geo-mechanical analysis by COREX in Aberdeen and Premier Oilfield Laboratories in Houston, Texas and Bartlesville, Oklahoma, USA. Premier is one of the US's leading exponents in the field of reservoir characterisation, well completions and optimisation in continuous oil and gas deposits.

The work at BB-1 followed the most successful fundraising in the Company's history, illustrating great confidence in our strategy to deliver near-term commercial production from both the new Kimmeridge Limestone play and our interests in five conventional oil discoveries in the Weald Basin.

INVESTMENT AND OPERATIONAL SUMMARY

BROADFORD BRIDGE: (BB-1, PEDL234 UKOG Interest 100%)

BB-1 exploration well drilling commenced post-period in UKOG's 100% owned, 300 km^2 PEDL234 licence. Continuous coring of the first reservoir target, KL4, has been completed successfully. Mobile light oil was observed seeping from multiple sections of limestones and calcareous shale within the cores. Wet gas readings maintained high levels throughout the coring and moveable live oil was also recovered from the drilling fluid. Coring continues at the time of writing.

Nutech calculated that a KCF P50 OIP of 7.1 billion barrels lies within PEDL234, of which 1.7 billion barrels lie within the KL1-KL4. This increased Company gross atributable KCF P50 OIP within its Weald Basin licence interests by 72% to 17.1 billion barrels. The PEDL234 acquistion therefore increased UKOG's net attributable KL OIP by 348% to 2.4 billion barrels. As previously stated, Oil in place should not be construed as recoverable reserves or resources.

Within the same licence, UKOG is seeking to lease a suitable well site to drill a Godley Bridge-3 appraisal well. A planning application for appraisal drilling and well testing is being prepared.

Broadford Bridge next steps

Drilling of BB-1 will be completed, followed by wireline conveyed electric logging, well completion and flow testing. This is a key activity and a very exciting period for UKOG.

HORSE HILL: (HH-1, PEDL137 and PEDL246 UKOG interest 31.2%)

UKOG's net interest in the Horse Hill licences now stands at 31.2%, following the purchase of Flowermay Limited's holdings in Horse Hill Developments Ltd ("HHDL").

A planning application was submitted in October to Surrey County Council ("SCC") for production testing of the HH-1 Portland, KL4 and KL3 oil discovery zones, plus the testing of the previously untested deeper KL2 zone. The application also included drilling and testing of a new HH-1 sidetrack well and a further HH-2 Portland discovery appraisal well. An environmental permit application was also submitted to the Environment Agency ("EA") for the appraisal work programme. UKOG's target is to put HH-1 and HH-2 into production by end-2018/first quarter 2019.

Post period-end, the Horse Hill Retention Areas, which cover the entirety of licences PEDL137 and PEDL246, were extended by the Oil and Gas Authority ("OGA") to 2021.

Xodus increased their estimate of the Portland oil discovery's OIP to 32 million barrels, a 53% increase. Gross 2C contingent resources were estimated at 1.5 million barrels. Further significant recoverable resources were stated to be likely if an early Portland formation water re-injection scheme were adopted to provide reservoir pressure support.

Horse Hill next steps

Planning consent for the Horse Hill appraisal programme described above, followed by execution of the programme. In the event of a successful programme, a declaration of commerciality will be made and HHDL will apply to SCC, OGA and EA for production consent from both the Portland and KL.

HOLMWOOD: (PEDL143 UKOG interest 30%)

The operator now plans to drill and test the Holmwood-1 exploration well in the second half of 2017. The well will target both the Kimmeridge continuous oil deposit and secondary conventional Portland and Corallian sandstones.

ISLE of WIGHT: (PEDL331 UKOG interest 65%, P1916 UKOG interest 100%)

UKOG is seeking to lease a suitable well site to drill an Arreton-3 appraisal well in PEDL331. A planning application for appraisal drilling and well testing is also being prepared. OGA extended the Isle of Wight offshore licence P1916 to 31st January 2018.

MARKWELLS WOOD: (PEDL126 UKOG interest 100%)

UKOG is preparing to re-submit its planning application for a Markwells Wood appraisal well, extended flow testing and further production wells.

OTHER ASSETS

Horndean, Avington, Brockham and Lidsey continued stable production throughout the period.
UKOG continues to review the economics of a Baxters Copse appraisal well (PEDL233, UKOG 50%).

FINANCIAL REVIEW

The retained loss for the six-month period to 31 March 2017 amounted to £1.06 million (2016: £1.26 million). This variance is attributable to the timing variance in operational activity between the two periods; we do not expect this variance to continue as we have entered a period of heightened exploration and testing in our operational strategy. These costs along with movements in working capital resulted in £0.83 million net cash being used in operating activities for the six-month period ending 31 March 2017 (2016: £ 1.93 million). During the period we increased our investments in both exploration and evaluation assets and our expenditures on oil and gas properties, which increased the cash flow outflow from investment activities to £0.65 million for the six-month period ending 31 March 2017. Netting off the proceeds from the issuance of shares the net decrease in cash and cash equivalents was £1.39 million resulting in cash and cash equivalents at the end of the period of £1.05 million.

On 19 May 2017, UKOG raised £6.5 million through the placing of 812,500,000 new ordinary shares in the Company at 0.8 pence per share.

OUTLOOK

Over the next twelve-month period the Directors expect to see a number of positive developments for the Company.

- BB-1 drilling will be completed, followed by logging and well testing.
- In conjunction with HHDL, UKOG plan to return to the HH-1 well to conduct long-term well testing, and to drill two appraisal wells; this will establish the most likely expected recoverable volume of oil from the discovery.
- KOGL will progress regulatory approvals for a Godley Bridge appraisal well in the north of PEDL234.
- Europa plans to drill the Holmwood-1 exploration well (UKOG 30%)
- UKOG will resubmit its planning application for Markwells Wood appraisal drilling and production. Necessary consents will also be sought from EA.
- UKOG will continue with regulatory steps necessary to drill an appraisal well on the Arreton Main oil discovery in PEDL331.
- IGas is considering drilling an appraisal well on the Baxters Copse discovery (IGas 50% Operator, UKOG 50%).
- UKOG plans to continue to consolidate and expand its licence position in the UK onshore, particularly in its core Weald Basin Kimmeridge oil play, with additional exploration, development and production investments.

Your Board of Directors will continue to seek out further attractive investments in line with the UKOG's investment strategy.

Qualified Person 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.

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Glossary of Terms:

Term	**Meaning**
2C	Denotes the mid or best estimate scenario of Contingent Resources
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 are further categorised 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.
continuous oil deposit	A petroleum accumulation that is pervasive throughout a large area, which is not significantly affected by hydrodynamic influences (i.e. the buoyancy of oil in water) and is not trapped by structural or stratigraphic geological conditions. The deposit, in contrast to conventional accumulations, has therefore not accumulated by the migration of petroleum over medium to long distances. The petroleum in such deposits is found within, or immediately adjacent or close to, the pore spaces where the petroleum is generated, i.e. those pore spaces lying within petroleum source rocks containing organic rich compounds (kerogen) that, when heated over geological time, transform into petroleum. These accumulations are generally associated with organic-rich shales such as the Kimmeridge Clay Formation. Such accumulations do not generally contain significant volumes of free, mobile formation water and therefore have no observable hydrocarbon-water contacts. The extent of the accumulation is generally defined by the limit of where burial depths have been sufficient to transform organic matter within the petroleum source rock unit into petroleum
core or coring	A drilling technique that involves using a doughnut-shaped drilling bit to capture or "cut" a continuous cylinder-shaped core of undamaged in-situ rock. The core is captured in a steel pipe or "core barrel" above the bit. Core is normally cut in 30 feet

	lengths, or multiples of 30 feet, and normally with a diameter of 3.5 or 4 inches. Core is taken in petroleum reservoir rocks for detailed laboratory analyses of petrophysical and geomechanical parameters
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 the 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
horizontal well	A well that during drilling is steered so as to be at or close to 90 degrees from the vertical to follow a particular geological stratum or reservoir unit
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. The Kimmeridge Limestones are effectively chalks being comprised of the remains of calcareous planktonic algae
live oil	Mobile oil that contains dissolved gas in solution
MMbbl	Million barrels
moveable oil	Oil that can flow or be pumped to the surface
naturally fractured reservoirs	Fractured reservoirs contain cracks or surface of breakage within rock; fractures can enhance permeability of rocks greatly by connecting pores together; naturally fractured reservoirs have been created over geological time by nature, not man-made via hydraulic fracturing
oil in place (OIP)	The quantity of oil or petroleum that is estimated to exist originally in naturally occurring accumulations in the ground before any extraction or production
P50	a 50% probability that a stated volume will be equalled or exceeded
prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target
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
shale	A fissile rock that is formed by the consolidation of clay, mud, or silt particles, and that has a finely stratified or laminated structure. Certain shales, such as those of the Kimmeridge Clay, often contain a significant proportion of organic material, which when subject to increasing temperature and pressure over geological time transform into petroleum (known as petroleum "source rocks")
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.
step-out well	A well specifically designed to determine the lateral extent of a discovered hydrocarbon accumulation or play
wet gas	Natural gas, predominantly consisting of methane (C1), ethane (C2) and propane (C3), but also containing the longer molecular chain natural gases butane and iso-butane (C4), pentane and iso-pentane (C5). The C4 and C5 gases are created during oil-generation within a petroleum source rock unit when oil is thermally cracked. At Horse Hill these natural gases lie in solution with the oil in the KL3 and KL4 Kimmeridge Limestone reservoirs (i.e. solution or associated gas and not as a separate free-gas phase).

Consolidated Income Statement (Unaudited)
for the six months ended 31 March 2017

	Notes	6 months 31 Mar 2017 (Unaudited) £'000	6 months 31 Mar 2016 (Unaudited) £'000
Revenue		104	66
Cost of sales		(167)	(78)
Gross profit		**(63)**	**(12)**
Operating expenses			
Administrative expenses		(967)	(1,199)
Foreign exchange gains		-	(13)
Depletion & impairment expense		(39)	(39)
Share based payments expense		-	-
Operating (loss)		**(1,069)**	**(1,263)**
Gain/(loss) on settlements of derivative financial instrument		-	-
Share of associate loss		-	-
Finance costs		-	-
Negative Goodwill		-	-
(Loss) before taxation		**(1,069)**	**(1,263)**
Taxation		-	-
(Loss) for the year attributable to equity holders of the parent		**(1,069)**	**(1,263)**
Other comprehensive income			
Transfer to income statement		-	-
Other comprehensive income net of taxation		**-**	**-**
Total comprehensive loss attributable to equity holders of the parent		**(1,069)**	**(1,263)**
(Loss) per share			
		Pence	**Pence**
Basic and diluted	2	(0.04)	(0.06)

Consolidated Statement of Financial Position (Unaudited)
as at 31 March 2017

	Notes	31 Mar 2017 (Unaudited) £'000	30 Sep 2016 (Audited) £'000
Assets			
Non-current assets			
Exploration & evaluation assets		6,734	6,187
Oil & Gas properties		1,560	1,500
Investment in associate		4,757	4,757
Goodwill on acquisition		-	-
Property, Plant & Equipment		370	370
Available for sale investments		368	368
Total non-current assets		**13,789**	**13,182**
Current assets			
Inventory		3	3
Trade and other receivables		2,934	2,890
Derivative financial instrument		-	-
Cash and cash equivalents		1,050	2,444
Total current assets		3,987	5,337
Total Assets		**17,776**	**18,519**
Current liabilities			
Trade and other payables		(837)	(591)
Borrowings		-	-
Total current liabilities		**(837)**	**(591)**
Non-current Liabilities			
Provisions		(359)	(359)
Total non-current liabilities		**(359)**	**(359)**
Total liabilities		**(1,196)**	**(950)**
Net Assets		**16,580**	**17,569**
Shareholders' Equity			
Share capital		11,844	11,842
Share premium account		39,722	39,644
Revaluation Reserve		-	-
Share based payment reserve		1,224	1,224
Accumulated losses		(36,210)	(35,141)
Total shareholders' equity		**16,580**	**17,569**

Consolidated Statement of Changes in Equity for the 6 months ended 31 March 2017

	Share capital	Share premium	Share based payment reserve	Revaluation reserve	Accumulated losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2015	**11,787**	**31,622**	**659**	**-**	**(33,286)**	**10,782**
Loss for the year	-	-	-	-	(1,972)	(1,972)
Other comprehensive income						
- Transfer to income statement	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(1,972)	(1,972)
Issue of shares	55	8,262	-	-	-	8,317
Cost of share issue	-	(240)	-	-	-	(240)
Share option expired	-	-	(117)	-	117	-
Share based payments	-	-	682	-	-	682
Balance at 30 September 2016	**11,842**	**39,644**	**1,224**	**-**	**(35,141)**	**17,569**
Loss for the period	-	-	-	-	(1,069)	(1,069)
Issue of shares	2	78	-	-	-	80
Cost of share issue	-	-	-	-	-	-
Share option expired	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-
Balance at 31 March 2017	**11,844**	**39,722**	**1,224**	**-**	**(36,210)**	**16,580**

Statement of Cash Flows (Unaudited)
for the six months ended 31 March 201

	Notes	6 months 31 Mar 2017 (Unaudited)	6 months 31 Mar 2016 (Unaudited)
		£'000	£'000
Cash flows from operating activities			
Loss from operations		(1,069)	(1,263)

Depletion & impairment	39	39
Decrease/(increase) in trade and other receivables	(44)	(842)
(Decrease)/increase in trade and other payables	246	138
Net cash (outflow) from operating activities	(828)	**(1,928)**
Cash flows from investing activities		
Expenditures on exploration & evaluation assets	(547)	(44)
Expenditures on oil & gas properties	(99)	(5)
Net cash (outflow) from investing activities	(646)	**(49)**
Cash flows from financing activities		
Proceeds from issue of share capital	80	296
Repayments of loan & borrowings		(111)
Net cash inflow from financing activities	**80**	**185**
Net change in cash and cash equivalents	**(1,394)**	**(1,792)**
Cash and cash equivalents at beginning of the period	2,444	4,590
Cash and cash equivalents at end of the period	**1,050**	**2,798**

Notes to the half-yearly results

1. Basis of preparation

As permitted IAS 34, 'Interim Financial Reporting' has not been applied to these half-yearly results. The financial information of the Company for the six months ended 31 March 2017 have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRS") and are in accordance with IFRS as issued by the IASB. The condensed interim financial information has been prepared using the accounting policies which will be applied in the Company's statutory financial statements for the period ending 30 September 2016.

The financial information shown in this publication is unaudited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The comparative figures for the financial year ended 30 September 2016 have been derived from the statutory accounts for 30 September 2016. The statutory accounts have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified and did not contain statements under the section 498(2) or 498(3) of the Companies Act 2006.

2. (Loss) per share

The calculation of the basic and diluted (loss) per share is based upon

Group	6 months 31 Mar 2017 (Unaudited) £'000	6 months 31 Mar 2016 (Unaudited) £'000
(Loss) attributable to ordinary shareholders	(1,069)	(1,263)
	Number	**Number**
Weighted average number of ordinary shares for calculating basic loss per share	2,590,051,681	2,032,319,539
	Pence	**Pence**
Basic and diluted loss per share	(0.04)	(0.06)

3. Availability of the Interim Report

Copies of the report will be available from the Company's registered office and also from the Company's website www.ukogplc.com

The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014.

ENDS