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UK Oil & Gas Investments PLC
14 September 2015

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("UKOG" or the "Company")

Markwells Wood Oil Field Competent Persons Report

UK Oil & Gas Investments PLC (LSE AIM: UKOG) is pleased to announce that a Competent Persons Report ("CPR") by Xodus Group ("Xodus") of the Company's onshore Markwells Wood oil field calculates that the field's Jurassic Great Oolite limestone reservoir contains a 2C or P50 potentially recoverable Contingent Resource of 1.25 million barrels ("MMbbl") net to the Company. The Markwells Wood oil field, in which the Company has a 100% interest, is located in UK licence PEDL126 in the west of the Weald Basin immediately to the east of the producing Horndean Field, in which the company has a 10% production interest, and approximately 12 km northeast of Portsmouth on the south coast of England. The field lies approximately 60 km to the southeast of the Company's Horse Hill oil discovery.

The Markwells Wood Contingent Resources ranges estimated by Xodus are shown in Table 1 below.

Table 1: Xodus' Estimated Markwells Wood Contingent Resources

Oil Contingent Resources	Gross Volumes			Net UKOG Volumes			Risk Factor *	Operator
(MMbbl)	1C (low estimate)	2C (best estimate)	3C (high estimate)	1C (low estimate)	2C (best estimate)	3C (high estimate)		
Markwells Wood	0.63	1.25	2.71	0.63	1.25	2.71	75%	UKOG (GB) Limited

*The Risk Factor (or estimated chance, or probability, that the volumes will be commercially extracted) was determined by Xodus to be 75% for these Contingent

Resources, to reflect the remaining subsurface, operational, commercial and socio-economical risks related to the development and implementation of the full field, which will likely be significantly influenced by the results from the first horizontal production well

The CPR is based on Xodus' review and audit of the Company's recent subsurface evaluations of all available data over the Markwells Wood-1 ("MW-1") discovery and the surrounding field area. Importantly the Company has analysed all core, electric logs, and production data from wells in the adjacent Horndean field's producing Great Oolite limestone reservoir. It is the Company's view that Horndean provides the closest and best model for the likely performance of the Markwells Wood field. In addition to the Company's studies, Xodus constructed a reservoir simulation model of the field calibrated to the MW-1 2012 extended production flow test and core data to derive an alternative viewpoint of the likely range of recoverable volumes.

Xodus has classified the volumes in Table 1 as Contingent Resources, being those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, and where the project is not yet considered mature enough for commercial development due to one or more contingencies. In the case of Markwells Wood the development is contingent on UKOG achieving both internal and external approvals for a Field Development Plan ("FDP") and upon the development being shown to be commercial.

The Company's conceptual field development case evaluated by Xodus assumes a phased development commencing with the drilling of a horizontal sidetrack well, designated MW-1ST. Importantly, Xodus' reservoir simulation results for MW-1ST show that well performance is similar to the performance of nearby Horndean producing wells and the Best Case has a recoverable volume of approximately 400,000 barrels of oil after 20 years and 600,000 barrels after 40 years. The adjacent Horndean field has been producing oil since 1987. The CPR also notes that given the significant Best Case or P50 Stock Tank Oil in Place ("STOIP") of 45.6 MMbbl, further recoverable upside may exist in the field's 3C case

once production data is obtained.

Although no economic analysis was conducted by Xodus, the CPR concludes that the expected MW-1ST well performance gives confidence that production from a new well is likely to be commercial. The CPR's 1C volume estimate is, therefore, based on a field development of two new horizontal wells (to include the MW-1ST), whereas the 2C and 3C volume estimates are based on 5 new horizontal wells in the field.

The CPR is available on UKOG's website (see www.ukogplc.com).

Reporting Standards:

The STOIP volumes and Contingent Resources in Xodus' CPR have been prepared in accordance with the 2007 Petroleum Resources Management System prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE), 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).

Markwells Wood Future Work and Plans:

The Company is now well advanced with its application to vary the planning permission at the MW-1 well site by extending it for a further 18 months. This planning variation was submitted to the South Downs National Park Authority ("SDNPA") on 16 March 2015 and final signature of the required Deed of Variation to the existing planning consent is expected shortly.

The Company has also commenced work on the Markwells Wood FDP to submit to the Oil and Gas Authority ("OGA") to seek their approval to move the PEDL126 Licence from its current exploration phase into an 18-year production period.

The Markwells Wood FDP will also form the basis of a new planning application to the SDNPA to seek their consent for the proposed Markwells Wood field development. Applications for further regulatory consents from the Environment Agency and Health and

Safety Executive will follow upon grant of the SDNPA planning consent.

As part of the FDP, the Company has also commissioned related engineering studies which will draw upon some of the findings of the Horse Hill Portland and tight Jurassic oil play conceptual development study currently being prepared by Xodus and Barton Willmore. These studies will focus on how the field can be developed with minimal footprint and impact to the locality.

The Company has also commissioned well completion studies with Nutech Energy Ltd to investigate how flow from the proposed MW-1ST well could be optimised. This analysis will include the evaluation of new non-fracking well stimulation technology, which could potentially help further reduce the footprint of the field development and may have wider applications to the Company's other interests in undeveloped Weald Basin oil discoveries in Horse Hill and Baxters Copse. It should be noted that the Infrastructure Act prohibits the use of well stimulation via hydraulic fracturing within the South Downs National Park, only conventional well stimulation techniques are permitted.

Additionally, Nutech and the Company will integrate the learnings of the tight Jurassic oil plays gained from the Horse Hill PEDL137 and PEDL246 Licences into the MW-1 well and the PEDL126 licence area.

Stephen Sanderson, UKOG's Chairman, commented:

"The Markwells Wood CPR is an important milestone for the Company.

The CPR has independently validated our internal viewpoint that the Markwells Wood field can likely be developed successfully. Excitingly, this means that, subject to the necessary regulatory consents, the Company can now plan to develop this UK onshore oilfield to add further oil production to its existing producing portfolio.

Secondly, the CPR is the Company's first successful independent audit of recoverable oil volumes that is underpinned by our own internal technical evaluation.

I would like to reiterate that the prime objective of our proposed Markwells Wood field development plan will be to respect and preserve the rural beauty and way of life of the local area, with minimal environmental impact, while at the same time providing a valuable contribution to the area's economy. As previously stated, this is fundamental to the Company's operating philosophy and policy.

I now look forward to testing and refining our new view of Markwells Wood's production potential with the proposed MW-1ST development well as soon as the necessary regulatory consents are in place."

Qualified Person's Statement:

Stephen Sanderson, UKOG's Executive Chairman, who has over 30 years of relevant experience in the oil and gas 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:

2D seismic	seismic data collected using the two-dimensional common depth point method
1C resources	denotes the low estimate scenario of Contingent Resources
2C resources	denotes the mid or best estimate scenario of Contingent Resources
3C resources	denotes the high estimate scenario of Contingent Resources
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
core	a continuous cylindrical sample of rock from the wellbore normally taken in 30 ft sections
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
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
Horizontal well	a high-angle well (with an inclination of generally greater than 85°) drilled to enhance reservoir performance by placing a long wellbore section within the reservoir.
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
oil field	an accumulation, pool or group of pools of oil in the subsurface. An oil field consists of a reservoir in a shape that will trap hydrocarbons and that is covered by an impermeable or sealing rock
oil in place or stock tank oil in place	the quantity of oil or petroleum that is estimated to exist originally in naturally occurring accumulations before any extraction or production
oolite	oolite is a sedimentary rock formed from ooids, being spherical grains comprised of concentric layers of calcium carbonate and of diameter 0.25-2 mm. Ooids are usually formed in warm, supersaturated, shallow, highly agitated marine water intertidal environments such as the present day Bahama Banks
P10	a 10% probability that a stated volume will be equalled or exceeded
P50	a 50% probability that a stated volume will be equalled or exceeded
P90	a 90% probability that a stated volume will be equalled or exceeded
petrophysics	the study of physical and chemical rock properties and their interactions with fluids utilising electric logs, physical rock and fluid measurements
play	a set of known or postulated oil and or gas accumulations sharing similar geologic, geographic, and temporal properties, such as source rock, migration pathways, timing, trapping mechanism, and hydrocarbon type
recoverable resources	those quantities of petroleum (oil in this case) estimated, as of a given date, to be potentially recoverable from known accumulations
reservoir	a subsurface rock formation containing an individual natural accumulation of moveable petroleum
sidetrack	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
tight oil play	a play where oil is found or expected to be present within a reservoir with low permeability, i.e. a tight reservoir. The term, in the case of HH-1, is applied to a play where trapped petroleum accumulations are expected to be

	pervasive throughout a large area and that are not significantly affected by hydrodynamic influences (also called "continuous-type deposits")
well stimulation	well stimulation is a well intervention performed on an oil or gas well to increase production by improving the flow of hydrocarbons from the drainage area into the well bore.

Notes to Editors:

The Company has the following Production, Development, Appraisal and Exploration Assets in the UK Onshore Sector:

Asset	Licence	UKOG Interest	Licence Holder	Operator	Area (km ²)	Status
Offshore Isle of Wight ⁴	P1916	77.5%	UKOG Solent Limited	UKOG	46.7	Awaiting announcement of 14th Round awards. UKOG has applied for the adjacent 200 km sq onshore acreage.
Markwells ² Wood	PEDL126	100%	UKOG (GB) Limited	UKOG	11.2	Awaiting extension of PEDL126 planning permission by the SDNPA, compiling FDP
Horndean ¹	PL211	10%	UKOG (GB) Limited	IGas Energy Plc	27.3	Field in stable production.
Avington ¹	PEDL070	5%	UKOG (GB) Limited	IGas Energy Plc	36.0	Field in stable production.
Baxters ² Copse	PEDL233	50%	UKOG Weald Limited	IGas Energy Plc	89.6	Reviewing economics of drilling an appraisal / development

						well.
Horse Hill ³	PEDL137	20.358%	Horse Hill Developments Limited ⁶	UKOG/HHDL	99.3	Flow testing of the HH-1 discovery planned, awaiting regulatory approvals.
Horse Hill ³	PEDL246	20.358%	Horse Hill Developments Limited ⁶	UKOG/HHDL	43.6	Flow testing of the HH-1 discovery planned, awaiting regulatory approvals.
Holmwood ⁴	PEDL143	20%	UKOG	Europa Oil & Gas (Holdings) plc	91.8	Awaiting OGA consent of farmin, drilling of exploration well planned.
Lidsey ¹	PL241	4.2%	Angus Energy ⁵	Angus Energy Limited	5.3	Drilling of an infill well being considered.
Brockham ¹	PL234	3.6%	Angus Energy ⁵	Angus Energy Limited	8.9	Drilling of a sidetrack well being considered.

Notes:

1. Oil Field currently in production
2. Oil Discovery pending development and or appraisal drilling
3. Oil Discovery pending flow test
4. Exploration asset with drillable prospects and leads
5. UKOG has a direct 30% interest in HHDL, plus an indirect 1.32% interest via Angus Energy; HHDL has a 65% interest in PEDL137 and PEDL246.
6. UKOG has a 6% interest in Angus Energy; Angus Energy has a 70% interest in Lidsey and a 60% interest in Brockham.

This information is provided by RNS

The company news service from the London Stock Exchange

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