

17 December 2015

UK Oil & Gas Investments PLC

("UKOG" or the "Company")

UKOG Gains Isle of Wight Licence in 14th Onshore Licence Round

Licence Award

UK Oil & Gas Investments PLC (London AIM and ISDX:UKOG) announces that its 14th Round application for an onshore Isle of Wight licence has been successful. The Oil and Gas Authority ("OGA") has today offered UKOG a licence covering an area of approximately 200 sq kilometres ("the Licence") in which UKOG will have a 65% interest. UKOG will confirm in due course whether it has accepted the offer from the OGA.

Arreton Discovery

The Licence contains the onshore Arreton undeveloped oil discovery. The Arreton-2 well was drilled in 1976 by British Gas and penetrated a 3 by 8 km anticlinal structure. The well found strong oil shows in the Upper Jurassic Portland reservoir section. A petrophysical analysis of Arreton-2 electric logs by Nutech calculates a total oil pay of 63 feet within the Portland. A further 127 feet of total oil pay is also calculated in limestones within the underlying Cornbrash and uppermost section of the Great Oolite reservoir formations. An undrilled Arreton "look-alike" prospect lies to the immediate south of the Arreton discovery.

M Prospect

The Licence award will enable UKOG and its partners to drill the culmination of the M Prospect from an onshore location. The M Prospect is located primarily in the contiguous offshore licence P1916 (UKOG 77.5%), but extends into the Licence. As previously announced on 25 March 2015, the M Prospect includes significant mapped oil in place ("OIP") within the conventional Portland and Triassic sections. Additional Portland and Triassic prospects have been identified in the Licence on trend with the M Prospect. Further details are available on the Company's website: www.ukogplc.com.

Further Oil and Gas Potential

In addition to the Arreton discovery and M Prospect, the Licence also contains further undrilled oil prospects and substantial calculated OIP per square mile within tight limestones and shales of the Kimmeridge Clay, Oxford Clay and Lias Formations.

Volumetric and Recoverable Resources Analysis

The Arreton oil discovery and M Prospect are currently the subject of an ongoing volumetric analysis and potential recoverable resources report by Xodus Group Ltd. The report's results will be announced early in the New Year.

Nutech Analysis

The Licence contains a very similar geological section to that of UKOG's Weald Basin licences and thus the Company believes the Licence contains similar significant exploration potential within the

thermally mature Jurassic shale and limestone rock sequences of the Kimmeridge, Oxford and Lias Formations. Initial indications, following analysis carried out on the Licence by Nutech, are that the OIP per square mile in the Licence is comparable with the OIP per square mile in the Weald Basin. Nutech's final report on the Arreton-2 well's OIP per square mile is expected to be completed shortly.

As previously stated by the Company, it is emphasised that any estimated OIP volume should not be construed as recoverable resources, contingent or prospective resources, or reserves.

Planning Submissions

The Company will now continue its discussions with the Local Planning Authority ("LPA") and will submit the necessary applications in 2016 to obtain regulatory consents to drill both the M Prospect and an appraisal/development well adjacent to the Arreton-2 oil discovery. Plans to acquire additional seismic coverage to further define the Arreton discovery and look-alike prospects will now be progressed.

The planned Arreton appraisal well location sits immediately next to a brownfield site and can be developed with sensitivity to the surrounding locality. As the Company has proactively completed well engineering design studies for the Arreton well and held initial planning discussions with the LPA, the Company is ideally positioned to progress the necessary drilling and testing consents as soon as practicable.

Further details of UKOG's 14th Round Licence can be found on the OGA website www.oga.gsi.gov.uk.

Stephen Sanderson, UKOG's Executive Chairman Commented:

"The Licence adds significantly to the Company's conventional and tight oil acreage portfolio in the UK and presents UKOG with a key combination of near-term low-risk appraisal and development balanced by high potential conventional and tight oil exploration upside.

Whilst the upside exploration potential of the M Prospect and tight oil is attractive for the future, we are also excited by the near-term cash generative potential of the Arreton appraisal project.

We are also pleased to extend our pioneering Weald tight oil focus into the similar geology of the Isle of Wight where our planned wells will provide key data to help further the technical and commercial proof of concept.

We now look forward to receiving Xodus' volumetric report plus further OIP studies from Nutech and to incorporating these into our overall business strategy for the Licence."

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.

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Glossary

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
electric logs	tools used within the wellbore to measure the rock and fluid properties of surrounding rock formations
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 in place	the quantity of oil or petroleum that is estimated to exist originally in naturally occurring accumulations before any extraction or production
oolite	a sedimentary rock formed from ooids, being spherical grains comprised of concentric layers of calcium carbonate and of diameter 0.25 – 2mm
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
petrophysics	the study of physical and chemical rock properties and their interactions with fluids utilising electric logs, physical rock and fluid measurements
prospect	a project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target
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 chance of development

recoverable resources	those quantities of petroleum (oil in this case) estimated, as of a given date, to be potentially recoverable from known accumulations
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
shale	a laminated and fissile very fine-grained sedimentary rock, consisting of compacted silt and clay-size mineral particles. Can contain high proportions of organic material, which if subjected to heat and pressure over geological time can generate petroleum (a petroleum source rock)
thermally mature	a term applied to source rocks which have received sufficient temperatures and pressure over geological time to generate hydrocarbons.

Notes to Editors:

About Nutech

Nutech, one of the world's leading companies in petrophysical analysis and reservoir intelligence, has played a major role in guiding the development of the United States unconventional resource revolution observed in the past 16 years. Nutech has extensive experience in US tight oil and gas plays and many key basins globally. Nutech are one of only four companies approved by the UK Government (OGA) to handle the sale, release and further analysis of the UK's onshore well database. Nutech's client base includes the governments of Mexico, Bahrain, Pakistan, The Netherlands, Poland, and Colombia, as well as oil and gas majors and large independents, which include Petronas, Chevron, Repsol, ConocoPhillips, BP, GDF, Devon, and SandRidge. Further information is available at www.nutechenergy.com.

About Xodus

Xodus Develop, who prepared the conceptual development study is the concept development engineering division of Xodus Group Ltd. a large oil & gas focussed energy consultancy with over 500 employees providing integrated subsurface and surface solutions to a global client base. Xodus was established in 2005 and since then has undertaken a large number of projects of various sizes across most hydrocarbon regions of the world. Xodus staff bring extensive experience in key regions and basins including the North Sea, West Africa, North Africa, Middle East, South America, and Asia. Further information can be found on Xodus' website: www.xodusgroup.com.

The Company has interests in the following UK licences:

Asset	Licence	UKOG's Interest	Licence Holder	Operator	Area (km ²)	Status
Avington ¹	PEDL070	5%	UKOG (GB) Limited	IGas Energy Plc	18.3	Field in stable production.

Baxters Copse ²	PEDL233	50%	UKOG Weald Limited	IGas Energy Plc	89.6	Reviewing economics of appraisal/ development well.
Brockham ¹	PL234	3.6%	Angus Energy ⁵	Angus Energy ⁵	8.9	Drilling of sidetrack well being considered.
Holmwood ^{3,7}	PEDL143	30%	UKOG	Europa Oil & Gas (Holdings) plc	91.8	H-1 exploration commitment well planned.
Horndean ¹	PL211	10%	UKOG (GB) Limited	IGas Energy Plc	27.3	Field in stable production.
Horse Hill ⁴	PEDL137	20.163%	Horse Hill Developments Ltd ⁶	Horse Hill Developments Ltd ⁶	99.3	Flow testing of HH-1 planned, EA consent received.
Horse Hill ⁴	PEDL246	20.163%	Horse Hill Developments Ltd ⁶	Horse Hill Developments Ltd ⁶	43.6	Flow testing of HH-1 planned, EA consent received.
Isle of Wight (Offshore) ³	P1916	77.5%	UKOG Solent Limited	UKOG Solent Limited	46.7	Exploration well planned.
Isle of Wight (Onshore) ^{3,4}	14th Round	65%	UKOG	UKOG	200.0	Exploration well planned.
Lidsey ¹	PL241	4.2%	Angus Energy ⁵	Angus Energy ⁵	5.3	Drilling of infill well being considered.
Markwells Wood ²	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.
7. Farm-in to 10% of Warwick's interest subject to OGA consent.