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United Oil & Gas PLC

("United" or the "Company")

Completion of the Acquisition of Rockhopper Egypt Pty Ltd, Re-Admission to AIM, Abu Sennan Operational Update & Shareholder Call

United Oil & Gas Plc (AIM: "UOG"), the AIM listed oil and gas exploration, development and production company, is pleased to announce that it has completed the acquisition of Rockhopper Egypt Pty Ltd. ("the Acquisition") from Rockhopper Exploration plc ("Rockhopper"). The Acquisition, which has an effective date of 1<sup>st</sup> January 2019, includes a 22% non-operating interest in the producing Abu Sennan concession, onshore Egypt, where production averaged 7,900 boepd in the first half of February 2020 (over 1,700 boepd to United's net working interest).

The Company will be hosting an investor conference call later today (28th February 2020) at 12pm during which management will discuss the completion of the acquisition and offer investors an opportunity to ask questions regarding the transaction and the Company's future plans.

As previously announced, the consideration for the Acquisition is US\$16 million (approximately £12.2 million) which is being funded by:

- the issue to Rockhopper PLC of 114,503,817 Consideration Shares at 3 pence per Ordinary Share representing 18.5% of the Company's Enlarged Ordinary Share Capital,
- a pre-payment financing structure of US\$8 million provided by BP ('the BP Facility') and
- the issue of 150,616,669 Placing Shares at 3 pence per share with certain existing and new investors and 8,419,498 Subscription Shares also at 3 pence per share.

Consideration Shares held by Rockhopper in United are subject to certain lock-up and orderly market disposal provisions for a period of up to 12 months from completion.

The Acquisition constituted a reverse takeover under Rule 14 of AIM Rules and accordingly admission to trading on AIM of the Enlarged Ordinary Share Capital of United, comprising 619,153,969 Ordinary Shares of 1p each, is expected to take place at 8.00 a.m. today.

## Abu Sennan Operational Update

United is pleased to provide the following operational update on the Abu Sennan concession in the Western Desert, onshore Egypt, one of Egypt's most productive hydrocarbon regions:

- Gross production for the concession has averaged over 7,900 boepd for the first half of February 2020 (over 1,700 boepd to United's net working interest). This follows the successful ASH-2 well and amounts to a doubling of the production from the concession since the effective date of the Acquisition (1<sup>st</sup> January 2019).
- Following the result of the ASH-2 well, which tested at a maximum gross rate of 7,027 bopd from the Alam El Bueib reservoir at the end of December 2019, and which has been onstream at over 3,000 bopd (660 bopd to United's net working interest) since the beginning of January 2020, plans to optimise the further development of this area are well advanced.
- El Salmiya-5, the first of four fully-funded infill wells to be drilled in 2020, spudded on the 3<sup>rd</sup> February. This is targeting multiple reservoirs in a previously undrained area of the El Salmiya field.
- Construction of a gas pipeline on the Al Jahraa field is expected to be completed shortly. On a gross basis, this is expected to bring an additional c. 1,000 boepd of gas onstream.
- United's technical team will now be focussed on supporting the operator (Kuwait Energy Egypt), and the other JV partners in optimising production from the seven producing fields within the concession, and pursuing the significant exploration potential within the licence area.
- United sees significant potential in the 644km<sup>2</sup> exploration area of the field, particularly in the deeper reservoirs, as illustrated by the recent success in the Alam El Bueib at ASH-2. The Company is looking forward to working with our new partners to put together an exploration drilling plan targeting the best prospects and aiming to continue the 80% exploration success rate that has been achieved in the licence to date.
- Gaffney Cline & Associates (GCA) completed a Competent Person's Report on the assets with an effective date of 30<sup>th</sup> June 2019 which attributes 12.12 mmboe gross 2P reserves to the Abu Sennan Licence (2.66 mmboe to United's net working interest). It is worth noting that these figures pre-date the recent drilling activity on the licence.
- A further 29.4 mmboe of gross unrisks prospective resources (net working interest of 6.46 mmboe) have been identified on the Abu Sennan licence by GCA.

- The BP Facility is based on a floor price of \$60/bbl for c.6,600 bbls of crude oil production per month for the next thirty months, effectively hedging this portion of production while allowing United to benefit from market prices above \$60.
- For as long as Rockhopper holds 10 per cent or more of the entire issued share capital of the company, it is entitled to appoint a non-executive director to the Board and a further announcement will be made in due course.
- United is also pleased to be retaining the Rockhopper country manager, who will provide continuity with both EGPC and the Abu Sennan joint venture partners and will assist the development of our business in Egypt.

United Oil and Gas, Chief Executive Officer, Brian Larkin:

"Completing the Acquisition of Rockhopper Egypt represents a significant milestone in the development of United, establishing the company as a full-cycle E&P company, and putting us in a strong position for further growth.

"At over 1,700 boepd, our 22% share of production at Abu Sennan and the revenues it generates are material. This does not take into account any future growth arising either from the ongoing infill drilling programme at Abu Sennan or the multiple exploration targets that have been independently estimated to hold gross unrisks prospective resources of 29.4 mmboe. Production has increased significantly over the last 12 months, reaching 7,900 boepd in February 2020. This highlights the potential of the assets and we look forward to working with our new partners to fully deliver on this promise.

"With drilling now underway at El Salmiya 5, the first well in the fully funded 2020 infill programme in Egypt, first gas scheduled for later this year in Italy and further progress expected across our other licence areas, we are entering an exciting phase in United's development, one which will see our highly cash generative platform deployed to grow the Company further. With this in mind, we look forward to keeping shareholders apprised of our next steps on what has already been an exceptional growth trajectory."

United Oil & Gas Plc (Company)  
Brian Larkin, CEO  
Beaumont Cornish Limited (Nominated Adviser)  
Roland Cornish and Felicity Geidt

[brian.larkin@uogplc.com](mailto:brian.larkin@uogplc.com)

+44 (0) 20 7628 3396