

24 June 2020

**United Oil & Gas PLC ("United" or the "Company")  
 Abu Sennan Reserves Upgrade, Production Update, and Details of Investor Call**

**Highlights**

- 13,900 boepd gross (3,060 boepd net working interest) average production from the Abu Sennan concession for the first half of June - a 69% increase compared to average April production (1,810 boepd net)
- Total production during that period has benefited from the ongoing testing of the El Salmiya-5 Well, with c. 4,000 bopd and in excess of 16 MMscf/d (7,200 boepd) contribution from the El Salmiya Field
- Independent reserves report by Gaffney Cline & Associates ("Independent Reserves Report") from the end of 2019 indicates an increase in reserves and contingent resources at Abu Sennan:
  - o 12.5% increase in Abu Sennan Gross 2P Reserves to 13.5 MMboe (15% gas) compared to 12 MMboe at the beginning of 2019, representing a 190% reserves replacement ratio
  - o Gross 1P reserves up by 76% to 4.2 MMboe and gross 3P reserves up by 46% to 28.6 MMboe (from 2.4 MMboe and 19.6 MMboe respectively at the beginning of 2019)
  - o Gross 2C contingent resource add of 0.73 MMboe
  - o Reserves upgrade does not include the recent drilling success at the El Salmiya-5 Well
- The Company will hold an investor call at 11:00am on Thursday 25 June 2020, the details of which are provided below

United Oil & Gas Plc (AIM: "UOG"), the AIM listed oil and gas exploration, development and production company, is pleased to provide the following update on the Abu Sennan concession, Egypt ("Abu Sennan") in which UOG holds a 22% working interest. This includes a production update covering the first half of June and the results of an Independent Reserves Report which estimates gross 2P reserves at Abu Sennan increased to 13.5 MMboe from 12 MMboe over the course of 2019 following drilling success.

**Production**

Production from the Abu Sennan concession has continued to outperform the Company's pre-completion expectations, with production from the first half of June averaging 13,900 boepd gross (3,060 boepd net). This has been underpinned by strong production from the El Salmiya-5 well-testing (c. 4,000 bopd and over 16 MMscf/d gross (c. 7,200 boepd) from the El Salmiya Field since the beginning of June), and continuing consistent production from the ASH-2 well, which was successfully drilled and brought online in January 2020. Although it is still early days on the El Salmiya-5 well, and United expect the well to be choked back in order to optimise ultimate recovery, the results to date have clearly demonstrated the capacity of the well to deliver high production rates. Production at Abu Sennan continues to benefit from low operating costs of c. \$6.50/bbl.

**Reserves**

The results of an Independent Reserves Report that was completed on the Abu Sennan concession at the end of 2019 by Gaffney, Cline & Associates, using PRMS definitions for Reserves and Resources, has now become available to United. The results are summarised in Table 1, below. The report indicates that gross 2P reserves have increased to 13.5 MMboe (15% gas) compared to 12 MMboe at the end of 2018. This is an annual increase of 12.5%, and given that nearly 1.7 MMboe was produced from the Abu Sennan assets during 2018, indicates a reserves replacement ratio for 2019 of 190%. Gross 1P and 3P reserves have also increased, with 1P reserves up by 76% to 4.2 MMboe and 3P reserves up by 46% to 28.6 MMboe (from 2.4 MMboe and 19.6 MMboe respectively at the beginning of 2019).

Applying United's 22% working interest to the gross 2P reserves at the end of 2019 gives 2.97 MMboe, up from 2.64 MMboe at the end of 2018.

It is worth noting that although the Independent Reserves Report included an uplift for the results of the ASH-2 well and the Al Jahraa gas that was brought onstream in March 2020, it was completed prior to the results of the El Salmiya-5 well. Similarly, as the report also predates the approval of the plans to bring the gas from the ASH field onstream, this gas is only included as contingent resources, with 2C estimates of 0.73 MMboe gross. These two developments would almost certainly have a further positive uplift on reserves.

Table 1. Reconciliation of Abu Sennan Reserves as at 31<sup>st</sup> December 2019 with Reserves as at 31<sup>st</sup> December 2018

	Gross Field Reserves (Mboe)				
	End 2018	Exploration Adds	2019 Production	Revisions	End 2019
Proved	2,373	259	-1,647	3,191	4,179
Proved + Probable	12,004	702	-1,647	2,463	13,526

Proved + Probable + Possible	19,624	2,213	-1,647	8,395	28,859
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Notes:

1. Revisions are due to production performance in 2019, the results of wells drilled in 2019, and the maturation of the gas development for Al Jahraa; exploration adds include the AS-Z discovery and the AR-E, AR-G, Upper Bahariya and Lower Bahariya II pools discovered by Al Jahraa-7
2. 2019 production is estimated based on actual production to end October 2019
3. Totals may not exactly equal the sum of the individual entries due to rounding
4. United holds a 22% net working interest in the Abu Sennan concession

**Jonathan Leather, COO, United Oil & Gas Plc:**

*"It is really pleasing to see the Abu Sennan assets continuing to perform so strongly and the potential that we recognised in the assets being realised. Much as we expect the production at the El Salmiya-5 well to be choked back from the current levels, it is fair to say that net production of over 3,000 boepd at this stage has surpassed even our own high expectations for the Licence.*

*"We remain highly confident that the Licence has more to offer. Further development at the ASH field is expected to deliver additional gas before the end of the year, further enhancing production and cashflow. We also see substantial exploration opportunity on the licence and are working towards optimising targets for further exploration drilling in due course.*

*"This independent review of reserves should send a clear message about the strength of the Company's Egyptian assets and, together with our booked reserves at the Selva field in Italy, serves to highlight the considerable asset value behind United - a notable discrepancy when compared to our current market capitalisation. We look forward to working with our partners to maximise the value of those reserves for our shareholders."*

**Investor Call**

The Company also announces that, following recent audited results for the year 2019 and prior to the AGM, which will be a closed meeting, management will be hosting an investor conference call at 11:00 a.m. on 25 June 2020. The leadership team will give an update on the Company and run through a Corporate presentation as well as answering those shareholder questions submitted prior to the call. Please submit your questions in advance to email address [investor.relations@uogplc.com](mailto:investor.relations@uogplc.com).

Should investors wish to participate in the event, please click on this link to register <https://bit.ly/3eusTIR>.

Confirmation email with the details of the dialling in process will be sent to your email address.

Corporate presentation will be made available tomorrow at 10:00 a.m. on [www.uogplc.com](http://www.uogplc.com).

**\*\*ENDS\*\***

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

**For more information please visit the Company's website at [www.uogplc.com](http://www.uogplc.com) or contact:**

**United Oil & Gas**

**Plc (Company)**

Brian Larkin, CEO

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

**Beaumont Cornish**

**Limited (Nominated  
Adviser)**

Roland Cornish and Felicity  
Geidt

+44 (0) 20 7628 3396

**Optiva Securities**

**Limited (Joint Broker)**

Christian Dennis

+44 (0) 20 3137 1902

**Kenos Securities Plc (Joint**

**Broker)**

Joe Nally (Corporate Broking)

+44 (0) 20 7397 8900

Derrick Lee and Pete Lynch

+44 (0) 131 220 6939

**Murray (PR Advisor)**

+353 (0) 87 6909735

Joe Heron

[jheron@murrayconsultants.ie](mailto:jheron@murrayconsultants.ie)

**St Brides**

**Partners (Financial PR/IR)**

Frank Buhagiar

+44 (0) 207 236 1177

**Qualified Person's Statement**

Jonathan Leather, an Executive Director of the Company, who has over 20 years of relevant experience in the oil and gas industry, has approved the information contained in this announcement. Dr. Jonathan Leather is a member of the Petroleum Exploration Society of Great Britain and the Society of Petroleum Engineers.

Note: All references to flow rates set out above are gross unless otherwise stated

**Glossary:** '1P' means Proved Reserves

**'2P'** means Proved plus Probable Reserves

**'3P'** means Proved plus Probable plus Possible Reserves

**Bscf** means Billion Cubic Feet

**boe** means Barrels of oil equivalent

**bopd** means barrels of oil per day

**MMscf/d** means million standard cubic feet per day

**boepd** means barrels of oil equivalent per day

**bbl, bbls** means barrel, barrels

**bbl/d** means barrels per day

**CPR** means competent person's report

**M** means thousand

**MM** means million

**NPV** means net present value

**PRMS** means the 2018 Petroleum Resource Management System (SPE)

**SPE** means Society of Petroleum Engineers

**'2C'** or **'Contingent resources'** means quantities of petroleum estimated as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered commercially recoverable due to one or more contingencies

**'Prospective Resources'** means 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 a chance of development. They are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

**'Proved Reserves'** means those quantities of petroleum which, by analysis of geological and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under current economic conditions, operating methods, and government regulation - Proved reserves can be categorized as developed or undeveloped

**'Probable Reserves'** are those unproved reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable reserves

**'Possible Reserves'** are those unproved reserves which analysis of geological and engineering data suggests are less likely to be recoverable than probable reserves. In this context, when probabilistic methods are used, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the sum of estimated proved plus probable plus possible reserves

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