

ENEGI OIL PLC  
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## **Enegi Oil Plc ("Enegi" or "the Company")**

### **Collaboration agreements signed creating Marginal Field Initiative consortium**

Enegi Oil, the independent oil and gas company, today announces that Kongsberg Maritime and Braemar ACM Shipbroking have signed Collaboration Agreements with ABT Oil and Gas Ltd. (the Company's joint venture with ABTechnology Ltd.) ("ABTOG") becoming the first members of the consortium that is targeted at the delivery of the Marginal Field Initiative. The advent of the consortium will significantly drive forward the delivery of the Marginal Field Initiative.

#### **Highlights:**

- Collaboration agreements signed with major industry players who will become members of the consortium to deliver the Company's Marginal Field Initiative:
  - Kongsberg Maritime ("KONGSBERG") – will provide 'Best in class' proven remote control and monitoring technology for ABTOG's normally unattended development solutions
  - Braemar ACM Shipbroking ("Braemar ACM") – will assist in sourcing financing, asset negotiations and shipyard negotiations
- All parties will also market the Marginal Field Initiative through their global networks with a view to sourcing projects for the initiative
- The signing of these agreement is expected to provide significant impetus to ABTOG's Marginal Field Initiative
- Collaboration agreements provide that each of KONGSBERG and Braemar ACM perform their roles through the application of their own resources
- Discussions ongoing with other complementary major industry players to join the consortium providing further appropriate expertise to the Marginal Field Initiative particularly in the areas of engineering design, project management, fabrication yard, topsides, duty holdership and funding
- Principle of collaboration is that each partner demonstrates their belief and commitment to the Marginal Field Initiative through investment which is tailored to each party's contribution.

**Alan Minty, CEO & Chairman of Enegi, commented:**

*“We continue to believe that the Marginal Field Initiative is a truly global opportunity. The agreements that ABTOG has completed with these major industry players further justifies this belief whilst greatly endorsing and providing further credibility to our initiative. We are pleased with this progress as we seek to bring together a consortium of like-minded industry players with the expertise to deliver the Marginal Field Initiative.*”

*We expect these companies, as well as the addition of further industry players in the near future, to significantly increase the venture’s activity. We look forward to working with our new partners, gaining further projects and taking the Marginal Field Initiative to the next stage of its development.”*

**James Kidwell CEO Braemar Shipping Services PLC said:**

*“We are happy to be partnering with ABTOG on their Marginal Field Initiative. ABTOG’s business model and strategy is very timely as the industry is looking closely at costs and how to continue to ensure effective economic future production. We believe that this has the potential to be a considerable initiative. The ability of ABTOG’s solutions to significantly reduce the opex and capex on oil and gas development projects and the returns that can be gained will in our view undoubtedly appeal to operators and investors alike. We look forward to working with ABTOG and its partners in taking the venture forward and gaining further projects.”*

**Dean Jennings, Sales Manager, Offshore Production Units, Kongsberg Maritime comments:**

*“The effect that normally unattended operations could have on operating expense is enormous. We fully endorse ABTOG’s belief that normally unattended operations offer significant potential for the advancement of offshore oil and gas production particularly at this time when the industry is focussed on cost reduction.*”

*We believe that our expertise and best in class proven remote control technology and monitoring can deliver leading edge development solutions that can maximise recovery from smaller fields given the significant reduction in opex and capex that they provide. We look forward to working with all the partners in delivering this initiative.”*

### **Marginal Field Initiative Consortium**

Enegi, through its joint venture ABT Oil & Gas Ltd. (“ABTOG”), has been progressing the Marginal Field Initiative for a number of years. Over that time ABTOG has refined the business model and significantly progressed the project delivery mechanism to ensure that marginal fields, which will remain undeveloped if only using conventional development solutions, can be developed providing returns that justify the investment in these projects. The key benefit of this work is that ABTOG has successfully proven that, in many cases, the opex and capex costs of a project can be significantly reduced enabling projects which have been deemed to be uneconomic to be developed to provide considerable returns to the operators and investors alike.

Dialogue with the market and, in particular, asset owners continually reinforces the need for delivery capability to be demonstrable. ABTOG’s offering requires expertise across a broad spectrum of disciplines and, as such, it is looking to build a consortium of established industry partners in order to

ensure that the ability to deliver is undeniable. ABTOG is seeking to establish relationships with companies that are forward thinking, recognise the opportunity offered by the Marginal Field Initiative and are willing to support their belief through the application of their own resources

The agreements with KONGSBERG and Braemar ACM reflect those principles. Both are strong industry partners, recognised global leaders in their fields with extensive resources which they intend to apply to advance the Marginal Field Initiative. Through these partnerships the Marginal Field Initiative benefits through the advancement of key areas such as:

- the demonstration of a normally unattended installation which is critical for Opex reductions;
- access to capital;
- expanding global reach to access projects;
- enhancing credibility; and
- direct investment into advancing the initiative.

ABTOG is working on further collaboration agreements including engineering design, project management and facility construction, all based upon the same principles, and expects to be able to announce further arrangements in due course. Completion of these arrangements will create a consortium dedicated to the implementation of marginal field solutions which will allow ABTOG's visions and business model to become a reality.

## **Details of Collaborative Agreements**

### **Kongsberg Maritime (KONGSBERG)**

KONGSBERG will work with ABTOG to prepare a Proof of Concept based on Kongsberg Maritime's "Full Picture" integrated systems tailored specifically for marginal fields. This includes all aspects for remote control operation including; monitoring, automation and operation offshore oil and gas production installations to demonstrate, to regulators and operators alike, that operations can be normally unattended. This work will be completed in two phases. Phase 1 will demonstrate that, using Kongsberg Maritime's systems and extensive experience of designing and implementing systems to facilitate remote or unattended operations, alongside ABTOG's extensive knowledge of the regulatory environment and expertise in risk and reliability, normally unattended operations can be achieved.

Along with Phase 1, work will also commence on the preparation of an Integrity Case for normally unattended operations, which will form Phase 2. This will be a more detailed technical demonstration of overall performance of the facility, including environmental performance and availability / production uptime, using a risk-based approach to provide the evidence that will be required by regulators and operators that these solutions are technically and economically feasible whilst also being environmentally safe. Each party will be responsible for their own costs.

Kongsberg Maritime delivers products and systems for positioning, navigation and automation to merchant vessels and offshore installations, as well as products and systems for seabed surveying and monitoring, and for fishing vessels and fisheries research. The business area is a market leader in these areas.

Kongsberg Maritime is a wholly owned subsidiary Kongsberg Gruppen, (OSE-ticker: KOG), an international, knowledge-based group delivering high technology systems and solutions to clients within the oil and gas industry, merchant marine, defence and aerospace. KONGSBERG has more than 7,700 employees located in more than 25 countries, with total revenues of NOK 16.6 billion in 2014 and a market capitalisation of approximately NOK 19.5 billion.

### **Braemar ACM**

Braemar ACM has considerable expertise in a number of areas in the oil and gas industry. Specifically Braemar ACM's role will include:

- shipyards negotiations (worldwide)
- being exclusive brokers for all marine equipment required for field development and chartering offtake tankers
- sourcing financing opportunities and introducing investors
- sourcing projects for the Marginal Field Initiative through its global network
- assisting with the sale of future Field production

Braemar ACM is one of the largest chartering and S&P shipbroking companies in the world. Braemar ACM was formed under its most recent name via the 2014 merger of Braemar Seascope and ACM Shipping. With offices in 16 key shipping geographies worldwide, covering chartering, S&P, operations and market research across all the major commercial shipping sectors, Braemar ACM can deliver a comprehensive shipbroking service in any location and at any time.

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**Enegi Oil Plc** is an independent oil and gas company whose strategy is to build a diverse portfolio of assets with a strong emphasis on acquiring interests in marginal fields. These marginal fields are low risk highly-appraised projects and consequently the Company's entry cost will be low. Enegi will look to develop these assets utilising ABTechnology's buoyant solutions, which are appropriate and change the development economics of a project. This is also expected to enable the early booking of reserves. The Company's current portfolio is made up of operations focused on opportunities around the Port au Port Peninsula in Newfoundland, Canada, the UK North Sea and Jordan. The Port au Port Peninsula is located in western Newfoundland, which, although lightly explored, is in an active petroleum system with light oil having been discovered on a number of occasions. The Company's licences in the UK North Sea have discovered hydrocarbons on them and have been selected based on buoy technology operating criteria. The Company has also entered into the highly prospective Dead Sea and Wadi Araba Block in Jordan with its partner Korea Global Energy Corporation.