



NU-OIL AND GAS PLC
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NU-Oil and Gas plc **("NU-Oil" or "the Company")**

Completion of Due Diligence on EL1070 Option Agreement

The Company is pleased to announce that, further to its announcement on 21 December 2016 regarding the Option Agreement on EL1070, offshore Western Newfoundland with G2 Energy Corp. ('G2 Energy'), G2 Energy has successfully completed its due diligence on EL1070. Under the Option Agreement, G2 Energy has an exclusive option to earn 100% of the Company's working interest in the Deep Rights (see below) on EL1070, with the Company's wholly owned subsidiary, Enegi Oil Inc. ("EOI"), retaining a 5% gross overriding royalty should the option be exercised.

G2 Energy is now proceeding with the work required to submit an application for a Significant Discovery Licence ('SDL') on EL1070. In this respect, prior to the end of the option period of 24 months from 16 December 2016, G2 Energy must achieve a flow test for hydrocarbons on one or more of the wells on EL1070, a requirement under the regulations for the submission of an application for a SDL.

The Deep Rights within EL1070 are currently held by EOI.

G2 Energy has undertaken further analysis of data on existing wells, and has identified a potential bypassed oil pay zone behind casing in one of the wells on the licence, within the Carbonate Platform section (see below "About EL1070"), and its initial work programme, subject to regulatory approval, will plan to flow test this prospective zone. This section is interpreted to have a dense natural fracture network in brittle carbonate rocks, which may have natural flow capability.

About G2 Energy Corp.

G2 Energy is an investment vehicle that has been specifically established to explore the potential of EL1070. Its two principals are George Langdon and Gerard Edwards. George Langdon was a former senior geologist at Mobil Oil and Gerard Edwards a financial analyst with Mobil. Both have been instrumental in achieving the award of the first onshore production lease in the province of Newfoundland and have been involved with the recognition of the potential of both the deep Carbonate Platform rocks and the Green Point shale. Collectively through their previous companies they have raised approx. \$100m for exploration in West Newfoundland. Both are graduates of the Memorial University of Newfoundland, George with a PhD in Earth Sciences and Gerard with a MBA. They have been involved in the exploration of oil and gas in eastern Canada for more than 20 years and during their time in the industry have developed an extensive network of contacts that will be exploited for the purposes of developing EL1070.



About EL1070

Although EOI is a registered holder of 33% of the EL1070 licence, through a 2009 agreement with Shoal Point Energy the Company now holds a 100% interest in the Deep Rights, with Shoal Point Energy holding 100% interest in the Shallow Rights on the licence.

The Deep Rights on EL1070 are defined as all petroleum substances and associated rights within and stratigraphically below the Ordovician Carbonate Platform (excluding Cape Cormorant and Table Cove Formations). The main target within the EL1070 Deep Rights is the Shoal Point prospect, which is a 'conventional' exploration target, and is reachable from an onshore location.

EL1070 was issued in January 2002 and continues to be in good standing beyond its 9 year exploration phase, while partners in the project diligently pursue the award of a SDL for discoveries within the Shallow Rights section. In order to pursue Shallow Rights hydrocarbons in the Green Point shale fracking will be necessary, on which there is currently a moratorium in Newfoundland. The Company, in conjunction with G2 Energy, will also need to liaise with the Government to commence activity on the conventional Shoal Point prospect; G2 Energy has already conducted informal discussions with the regulator.

Nigel Burton, CEO of NU-Oil, commented:

“The Directors are pleased that G2 Energy has successfully concluded its due diligence on EL1070 and is now proceeding to the work required to submit a SDL application on EL1070. This should allow for new investment into EL1070 and has the additional benefit of removing on-going costs. We look forward to providing further updates as G2 Energy progress its activities.”

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Qualified Persons

The information in this release has been reviewed by Professor Mike Bowman, a Non-Executive Director of NU-Oil and Gas plc. Mr. Bowman was the President of the Petroleum Exploration Society of Great Britain in 2012 and has over 30 years' experience in the petroleum industry



Note to Editors:

NU-Oil and Gas 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 stranded and marginal fields.

These fields are low risk highly-appraised projects and consequently the Company's entry cost will be low. NU-Oil will look to develop these assets utilising solutions delivered by Marginal Field Development Company (MFDevCo) and the MFD Consortium, which can significantly improve the development economics of a project. This is also expected to enable the early booking of reserves.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").