



NU-OIL AND GAS PLC

AIM symbol: 'NUOG'

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NU-Oil and Gas plc ("NU-Oil" or "the Company")

Update on Production Sharing Agreement with PVF Energy Services Inc. to resume operations on PL2002-01(A) in Newfoundland, Canada

HIGHLIGHTS

- Preparations for work programme to restore production from PL2002-01(A) (the 'Work Programme') proceeding on schedule to commence in Q2 2017
- Discussions ongoing with the Department of Natural Resources for regulatory approval, where required
- The Work Programme to consist of two stages, with a wireline operation and chemical injection programme followed by a workover to recomplete the well and insertion of an artificial lift system
- PVF has created a consortium of engineering and services companies to complete the Work Programme. The consortium includes Ecan Energy Services Inc. ("Ecan") and Innovative Development Design Engineers (IDDEL) Ltd
- Strong interest in further companies seeking to join the consortium but PVF wishing to conclude first two phases of the Work Programme before adding to the group
- The Production Sharing Agreement provides for the Company to receive 50% of net revenue from production following the recovery of any costs incurred by PVF in performing its obligations under the Agreement

Further to the announcement of 31st January 2017, NU-Oil, the independent Oil and Gas Company, is pleased to provide an update on progress regarding the Production Sharing Agreement ("the Agreement") that it has in place with PVF Energy Services ("PVF") on onshore petroleum lease PL2002-01(A) in Western Newfoundland, Canada. Preparation for the Work Programme is on schedule for commencement in Q2 2017 and discussions are ongoing with the regulator, the Department of Natural Resources in Newfoundland for approvals, where required.

Under the Agreement PVF will conduct a Work Programme, the aim of which is to restore production from PL2002-01(A). The Work Programme will consist of two phases, the first stage will involve PVF using wireline operations and chemical injection programmes to clean up the well and mill out a physical obstruction in the completion that has been restricting flow. The well will then be flowed for a minimum period of between 15 and 30 days to allow for reliable analysis and evaluation of the resulting production. Subject to satisfactory results, an appropriate system will be designed for recompletion of the well and installation of an appropriate artificial lift system before a rig is mobilised to site to undertake the second phase of the Work Programme.

The Work Programme will be led by Brian Hickey of PVF and Robert Wainwright of Ecan Energy Services. They will be supported by Mike Granger, a completion and production engineer with 32 years' international experience, who has detailed knowledge of well completions (both vertical and horizontal), well stimulations and artificial lift technology.



PVF lead a consortium of engineering service companies who are contributing to the completion of the Work Programme. The consortium includes:

- PVF Energy Services Inc – an oil and gas consulting firm based in St. John's, Newfoundland and Labrador. PVF provide oilfield development, procurement services, drilling, completion and work over engineering in addition to wellsite field supervision services for oil and gas operation;
- Ecan Energy Services Inc. – an Ontario based company well servicing company. Ecan provide workover rigs, pumps, tanks, blowout preventers, accumulators and well site supervisors; and
- IDDEL Engineering Ltd (“IDDEL”) – a Canadian professional engineering consulting firm specialising in mechanical, electrical and environmental engineering and project management. They also provide professional services in advanced architectural visualisation and animation and computer graphic 3D modelling.

Further parties are seeking to join this consortium, however PVF currently wish to conclude the first two phases of the Work Programme, as described above, before allowing other parties into this group.

PL2002-01(A) targets the Garden Hill Field Trend, which is a proven hydrocarbon bearing accumulation beneath the Port-au-Port peninsula in Western Newfoundland that is estimated, based upon internal reservoir models, to contain between 83 and 341MMBO (million barrels of oil) in-place, increasing to between 136 and 591MMBO when considering the mapped offshore extent. PL2002-01(A) covers an area of 16km² and holds between 21 and 97MMBO of this total. Initially discovered in 1994 with the “PAP#1” well, the conventional Lower Ordovician, Aguathuna Formation reservoir has since been penetrated by three appraisal side-tracks, which support the theory that reservoir productivity is linked to hydrothermal alteration. Extensive testing at the Garden Hill Site observed a lack of pressure depletion, indicating that a minimum connected volume in excess of 100 MMBO is present.

Nigel Burton, CEO of NU-Oil, commented:

“The Company is delighted that activity is progressing on schedule in relation to the Work Programme on PL2002-01(A). These are very positive steps towards achieving production and therefore revenue for NU-Oil from the Garden Hill Field.”

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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"). On the publication of this announcement via a Regulatory Information Service ("RIS"), this information is considered to be in the public domain.