



NU-OIL AND GAS PLC
AIM ticker: NUOG

30 November 2017

NU-Oil and Gas plc
(“NU-Oil” or “the Company”)

Operational Update – PL2002-01(A)

The Company is pleased to provide an update regarding operations on its wholly owned Garden Hill site in western Newfoundland, which are being undertaken and financed by PVF Energy Services (“PVF”) under the Production Sharing Agreement announced on 31 January 2017.

The primary objective of the first phase of the Work Programme, as outlined in announcements earlier this year, is to clean up the well and remove obstructions that have been preventing the well from flowing in advance of an extended well test. Progress achieved thus far includes:

- Salt blockages have been cleared.
- Communication has been re-established between the reservoir and the surface.
- Pressure recovery is strong.
- PVF have experienced no issues that are believed to have the potential to compromise the successful completion of this first phase of the Work Programme.

Although the programme is taking longer than originally forecast, the Company can confirm, based on the guidance provided to it by PVF, that operations are advancing towards achieving the primary objective and it is confident that the well test will commence shortly. Technical programmes often have to be modified and in western Newfoundland this requires approval from the Department of Natural Resources (“DNR”) for any alterations before proceeding. In addition, due to the remote location and the lack of local oilfield supply services, equipment has to be brought in from outside the province, which takes time both to source and to be delivered.

The Company has begun negotiations with PVF to agree a farm-in which will bring additional investment into the development of PL2002-01(A), primarily in the form of drilling investment. Further drilling is likely to target areas of hydrothermal dolomite down-dip from the current PAP#1-ST#3 well, which demonstrate enhanced connectivity and porosity and are therefore believed to be able to deliver higher flow rates. NU-Oil has in the past undertaken significant reservoir modelling work and will work closely with PVF to ensure that this work and lessons learned from previous operations are fully integrated into future planning, alongside new data gathered from PVF’s work, to maximise chances of success. Negotiations on the farm-in agreement, which has been the objective of both parties as referenced in the announcement of 22 June 2017, are ongoing and the Company will provide an update in due course. Shareholders should note that, whilst both parties hope to conclude an agreement, there is no guarantee one will be reached.



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Alan Minty, Chairman of NU-Oil, commented:

“A key factor in achieving a successful completion of the first phase of the Work Programme is managing the difficult logistics and working environment in western Newfoundland. Although the programme is taking longer than originally forecast this does not diminish our confidence in, or commitment to, delivering this project. We remain confident of the successful conclusion of this first phase of operations and we look forward to announcing the results in due course.

“We are pleased to be continuing negotiations with PVF on the future development of the Garden Hill field, one of our legacy assets, which we believe, if successfully concluded, will provide the opportunity for NU-Oil to maximise its returns from the field.

“In the meantime, the Board remains committed to focusing its resources on the acquisition of marginal field projects, in line with our stated strategy.”

Enquiries

NU-Oil and Gas plc

Simon Bygrave, Investor Relations

Tel: +44 (0)161 817 7460

Nigel Burton, CEO

Tel: +44 (0)7785 234 447

Strand Hanson Limited

Tel: +44 (0)20 7409 3494

Rory Murphy

Ritchie Balmer

Jack Botros

Beaufort Securities Limited

Tel: +44 (0)20 7382 8300

Jon Belliss

Elliot Hance



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Note to Editors

PL2002-01 (A)

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. It is estimated, based upon internal reservoir models, to contain between 83 and 341MMBO 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 million barrels of oil is present.

Pursuant to the Profit Sharing Agreement, the Company has a net revenue sharing agreement with PVF whereby PVF will undertake, and fund 100% of the costs of, operations on the PAP#1-ST#3 well, with the aim of restoring production. The Company will receive 50% of net revenue from production following PVF's recovery of costs associated with their obligations under the agreement.

As announced on 16 August 2017 the lease was renewed for a further five years and is now due to expire on 11 August 2022.

The Company

NU-Oil is a development and production company, which utilises appropriate development approaches to create value from undeveloped and mature oil and gas assets. NU-Oil is building a portfolio of development and production assets with an emphasis on stranded and marginal discoveries which can be unlocked using cost-effective development solutions.

NU-Oil targets thoroughly appraised fields located in basins with stable political and regulatory regimes. By doing so NU-Oil minimises exposure to the risks associated with frontier plays, particularly exploration and appraisal risks.

NU-Oil's 50% owned subsidiary, Marginal Field Development Company Ltd. ("MFDevCo"), has developed offshore production solutions that improve the economics of oil projects by significantly lowering development costs compared to conventional approaches. To implement its solutions, MFDevCo has established the Marginal Field Delivery Consortium ("the Consortium"), a group of leading global engineering specialists who provide the skills and capability required to deliver projects. NU-Oil will utilise MFDevCo solutions and the capability within the Consortium to develop and deliver its projects.



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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. Professor Bowman was the President of the Petroleum Exploration Society of Great Britain in 2012 and has over 30 years' experience in the petroleum industry.

Disclaimer

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").