



NU-OIL AND GAS PLC  
AIM ticker: NUOG

28 March 2018

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

### **Operational Update – PL2002-01(A)**

Nu-Oil is pleased to provide an update regarding operations at the Garden Hill site in western Newfoundland. PVF Energy Services (“PVF”) are working at site completing final preparations for the planned production test which is expected to commence when the Department of Natural Resources (“DNR”) approve this phase of the work programme. The completion of the production test will be a significant milestone towards achieving the objective of the work programme, which is to restore production from the PAP#1-ST#3 well. Under the Production Sharing Agreement announced on 31 January 2017 all operations on site are undertaken and financed by PVF.

PVF has designed the programme with the aim of producing data that is relevant and that delivers the greatest value; the data collected during the production test will be used to determine all future plans. PVF’s planning and procurement has taken full account of recent experience to minimise the potential for delays during the remainder of the programme. The application for the production test has been submitted to the DNR. Approval of the work programme, which is an iterative process between the DNR and PVF, is expected to take 14 days. We expect the production test to start in the week commencing 16 April 2018.

In preparation for the production test, PVF are completing the clean-up-of the well-tubing, undertaking any maintenance required to site facilities following recent adverse weather and performing routine pre-flow checks. PVF will be ready to begin the production test, which is anticipated to last between 30 and 90 days, as soon as approval is received from the DNR. The Company will provide an update when the test begins.

Following completion of the test, PVF will place the well on production while the collected data is analysed. Subject to satisfactory results from the production test, PVF will design a re-completion programme which will be submitted to the DNR for approval.

In parallel, PVF are finalising their plan for the wider development of the field which would be implemented subject to the farm-in agreement currently being negotiated with the Company; this plan is expected to include a seismic survey and drilling a new well. PVF are in discussion with companies who are interested in becoming involved in this project and have the funds available to invest.



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**Alan Minty, Chairman of NU-Oil, commented:**

*"The flow test is a significant step at Garden Hill and the data it produces will determine the future development of the field. I am pleased that PVF are planning future phases at the same time as progressing the first phase of the work programme. The results of the upcoming production test are an important component of that planning. It is critical that the production test has been planned with consideration to future development, as maximising the value and relevance of the data collected in the short term will positively impact future returns. We look forward to releasing the results of the flow test in due course, as these will indicate the future potential for Garden Hill."*

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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 16km<sup>2</sup> 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.



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Pursuant to the Production 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.

Marginal Field Development Company Ltd. ("MFDevCo"), in which both Nu-Oil and RMRI Ltd., a company controlled by Alan Minty, hold a 50% interest, 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.

### **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").