



NU-OIL AND GAS PLC
AIM ticker: NUOG

17 Dec 2018

Nu-Oil and Gas plc

(“Nu-Oil” or “the Company”)

Update – G2 Option on Exploration Licence 1070

The Company provides the following update with respect to the option between G2 Energy Corp. (“G2”) and Enegi Oil Inc. (“Enegi”), the Company’s Canadian subsidiary, on Exploration Licence 1070 (“EL1070 or “the licence”), located in western Newfoundland, announced on 21 December 2016. Based on discussions with various parties and consideration of all factors, Enegi has reached the conclusion that the best way to generate value for shareholders is to allow G2’s option relating to the licence to expire at the end of the option period on 16 December 2018. The licence remains in force and Enegi continues to hold 100% of the deep rights in the licence.

Enegi has held discussions with G2 and received a proposal from them to extend the option agreement based on the same technical objective, to achieve a flow test over any interval of Enegi’s deep rights. Enegi has also met with the Canada-Newfoundland and Labrador Offshore Petroleum Board (“C-NLOPB”) to determine how the licence can be advanced while the moratorium on hydraulic fracturing, which affects the shallow rights held by Shoal Point Energy (“SPE”), is in place. Based on the clear understanding of the current situation obtained as a result of these meetings, Enegi does not believe that G2’s proposal represents the best way of achieving value for shareholders and has therefore decided not to extend G2’s option agreement. Instead, believing it to have a greater likelihood of achieving progress, the Company intends to take direct contact with SPE to agree the way forward. We will update the market accordingly in due course.

Alan Minty, Nu-Oil’s Executive Chairman commented:

“We believe that EL1070 has significant potential however the current political and licensing situation, with SPE considered to be diligently pursuing a well that was commenced prior to the moratorium, means that the obligation at this stage is on SPE to progress development of the licence. We will therefore be contacting them directly to discuss what is possible and to clarify their plans to achieve this objective.”



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Notes

Although Enegi 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 Significant Discovery Licence ("SDL") for discoveries within the Shallow Rights section. In order to pursue Shallow Rights hydrocarbons in the Green Point shale it is currently considered that fracking will be necessary, on which there is a moratorium in Newfoundland.

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").