



NU-OIL AND GAS PLC
AIM ticker: NUOG

19 June 2019

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

Nu-Oil is pleased to note the following announcement from Marginal Field Development Company Ltd., the Company's 50%-owned joint venture:

Petrofac and MFDevCo join forces to maximise recovery

Marginal Field Development Company ("MFDevCo") is pleased to announce that it has entered into a collaboration agreement with Petrofac for the pursuit of opportunities in the recovery of stranded gas resources.

Under the agreement, the companies will work together to engineer, deliver and operate gas to wire facilities for the redevelopment and recovery of marginal gas fields, supporting UK clients in their pursuit to maximise economic recovery.

Petrofac, through its Engineering and Production Services business, will provide engineering support, and input to feasibility studies and opportunity screening working with MFDevCo to secure projects that will be developed and delivered using MFDevCo's gas-to-wire approach, which includes the use of technology supplied by Siemens, as announced on 12th February 2019.

The approach maximises the recovery of stranded gas resources by using gas to generate electrical power on an offshore platform. Turbines installed on the platform convert the gas into electricity that can then be exported to shore in a cheaper and more efficient way than conventional methods; eliminating the expenditure, loss of value and reliance on pipeline networks.

The agreement allows for Petrofac to provide engineering and asset operations services on all gas-to-wire projects identified by MFDevCo, subject to agreeing terms on a case by case basis. It has an initial term of two years but both parties are viewing this as the basis for a long-term collaboration with benefits that will increase as working practices are cemented and efficiencies increased going forward.

Alison Pegram, Joint Managing Director of Nu-Oil and Managing Director of MFDevCo, commented, *"Maximising the economic recovery of gas resources currently considered stranded should be central to the move towards a cleaner energy future and gas to wire offers a means to do this. Petrofac has extensive experience in the operation, maintenance and management of gas production facilities in the UK so we're very pleased to have secured their support for our gas to wire initiative as our project negotiations intensify. We believe this provides the final element required to allow us to move forward and demonstrates that, as a group, we have the capability necessary to deliver and operate these projects."*

Nick Shorten, Managing Director for Petrofac's Engineering and Production Services business in the Western Hemisphere, said, *"At a time when industry is so firmly focused on extending the life of the UK*



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Continental Shelf, we're delighted to be working with MFDevCo to offer new and existing clients a solution to get more from their gas reserves. By blending our capabilities and expertise, we believe we can provide cost-effective development solutions to unlock the full potential of marginal gas fields within the basin."

Enquiries

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Notes

Marginal Field Development Company Ltd

MFDevCo focuses on maximising recovery from the vast, undeveloped hydrocarbon resources contained within marginal fields worldwide, utilising appropriate re-deployable solutions to transform these undervalued assets. MFDevCo seeks to manage the entire lifecycle of marginal field projects from opportunity screening, suitability assessment and financing through engineering to production and decommissioning. www.mfdevco.com

Petrofac

Petrofac is a leading international service provider to the oil and gas production and processing industry, with a diverse client portfolio including many of the world's leading integrated, independent and national oil and gas companies. Petrofac is quoted on the London Stock Exchange (symbol: PFC).

Petrofac designs and builds oil and gas facilities; operates, maintains and manages facilities and trains personnel; enhances production; and, where it can leverage its service capability, develops and co-invests in upstream and infrastructure projects. Petrofac's range of services meets its clients' needs across the full life cycle of oil and gas assets.

With around 11,500 employees, Petrofac operates out of seven strategically located operational centres, in Aberdeen, Sharjah, Abu Dhabi, Woking, Chennai, Mumbai and Kuala Lumpur and has a further 24 offices worldwide. www.petrofac.com



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Gas to Wire

Gas to wire offers an alternative method of economically recovering offshore gas resources. Rather than developing and exporting gas using traditional methods, gas is converted to power using gas turbine generators located on an offshore platform and the power is transmitted to shore using subsea power cables.

Benefits of recovering gas resources using this method for the Company and MFDevCo include:

- **Value Adding:** Low-cost entry to low-risk production with the possibility to further extend revenue through hydrokinetic energy;
- **Low capital requirement:** CAPEX reduced through utilisation of existing facilities and infrastructure, low entry cost expected;
- **Access to reliable production:** Development of late-life gas fields reduces subsurface risk;
- **Minimising price risk:** Natural arbitrage between hydrocarbon and power generation, which reduces the exposure to price risk associated with gas markets
- **Accelerated time to production:** Utilising existing facility & infrastructure reduces cost & lead-time for fabrication & construction; use proven technology to convert gas to wire, transported to the grid by hooking into live network;
- **Attractive & complementary market:** Immediate opportunities in local markets, licence holders have commercial imperative to defer decommissioning
- **Regulatory support:** significant contribution to objectives of delivering energy security, deferring decommissioning costs and maximising economic recover; gas to wire initiatives supported by UK's Oil and Gas Authority.

The Oil and Gas Authority's "Gas to Wire report: UK SNS and EIS" details their assessment of the opportunities for the use of such methods to recover stranded gas resources and the benefits for the UK.

<https://www.ogauthority.co.uk/news-publications/publications/2018/gas-to-wire-report-uk-sns-and-eis/>

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").