



NU-OIL AND GAS PLC
AIM ticker: NUOG

12 July 2019

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

Update re PL2002-01(A)

The Company provides the following update regarding Production Lease 2002-01(A), which is held by its wholly-owned Canadian subsidiary, Enegi Oil Inc. ("Enegi"). Enegi has been working with PVF Energy Services Inc ("PVF") in good faith to agree an appropriate way to progress the asset, following issues arising during the work programme carried out by PVF under the terms of the Production Sharing Agreement ("PSA") that was signed between Enegi and PVF on 30 January 2017.

Despite the Company's efforts to find a solution in accordance with the terms of the PSA, it received notice on 10 July 2019 that PVF submitted a Statement of Claim ("Claim") to the Supreme Court of Newfoundland and Labrador General Division on 26 June 2019 against Enegi for costs incurred by PVF in carrying out the work programme, claimed to be C\$1,122,325.73.

The PSA clearly states that PVF will carry out the work programme 'at its sole cost, risk and perils' and that costs properly incurred in carrying out the programme are reimbursable out of production from a well and not by Enegi. The Directors therefore believe that there is no merit in the Claim.

Further, the PSA provides for a clear process for the resolution of any dispute or claim arising out of the agreement. PVF has not followed the prescribed process. The Company has taken initial legal advice and is considering its options, one of which is, on this basis, to challenge the jurisdiction of the Court in this matter.

The Company does not believe that defending the Claim, against its subsidiary, will have any significant impact on its future activities.

Executive Chairman of Nu-Oil, Graham Scotton, commented *"The Company has been attempting to work with PVF in good faith to find an appropriate way forward for Garden Hill, despite the operational issues encountered, and we are surprised and disappointed that PVF has chosen to take this action, in contravention to the terms for dispute resolution and cost recovery in the agreement signed by the parties.*

"The Company is obliged to notify the market of this situation irrespective of our opinion on the basis for the Claim. The situation will take time to resolve, however I do not expect it to affect our ongoing efforts to secure new assets or have any impact on the Company's funding requirements. I look forward to being able to reappraise the options for Garden Hill, as part of Nu-Oil's planned portfolio, once this dispute is resolved."



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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").