

11 May 2017

Angus Energy plc

("Angus Energy", "Angus" or the "Company")

FDP Addendum submitted to start production from Brockham X4Z Kimmeridge layers

Angus Energy is pleased to announce that following consultation with the UK's Oil & Gas Authority (OGA) it has submitted the required Field Development Plan (FDP) Addendum to commence production from the Kimmeridge layers at its Brockham Oil Field, Production License 235. In addition to the standard HSE consent for any well operations, the FDP Addendum approval from the OGA is the sole regulatory approval required to produce hydrocarbons from the Kimmeridge layers in addition to the existing Portland production. The Company will update investors once the OGA approve the FDP Addendum.

Following the Company's RNS dated 10 March 2017, Angus Energy's guidance from 10 March 2017 is unchanged.

The various press reports have created unwarranted and groundless speculation pertaining to the BR-X4Z sidetrack, the legal status of said sidetrack and the future of production from the Brockham Oil Field. For the avoidance of any doubt following the erroneous reports, the Company has taken the precaution of obtaining additional legal review from Queen's Counsel.

Queen's Counsel (the "QC") has confirmed her considered view that well BR-X4 (the donor well of the X4Z sidetrack, also known as well no. 3) has planning permission until 2036. Similarly, the QC confirms that the sidetrack to Well BR-X4, drilled in January 2017, is authorised by the 2006 planning permission.

With the review completed, we highlight below the potential cause for any perceived misunderstanding. Although not material in its own right, a mismatch of well numbering in prior administrative paperwork provided to Angus Energy appears to have allowed some confusion to arise as to the actual operations at the Brockham Oil Field.

Key Facts:

- As stated in the Company's admission document to the AIM, it was the objective to drill a sidetrack from the BR-X4 well to ensure the continued use and production from the Portland reservoir and assess the hydrocarbon production potential from the Kimmeridge layers and Corallian section.
- During the preparation phase of the drilling operation, the Company detected that the surface infrastructure of the BR-X4 well did not match its expected subsurface composition but instead, based on the documentation available to the Company, appeared to be the original Brockham-X1 well. Angus Energy acquired the Brockham Oil Field in 2012 and had not re-entered either the BR-X4 or Brockham-X1 well before commencement of these operations, so this was the first time this apparent mismatch in surface and subsurface composition had come to light.
- In addition to necessary maintenance, re-entry of the original Brockham-X1 well also allowed for the proper assessment of the layers of interest.
- The Brockham site had the benefit of existing planning permissions granted by Surrey County Council (SCC) and the required approvals from the EA, HSE and OGA for the maintenance work, re-entry and/or planned sidetrack, therefore the subsurface assessment continued. The re-entry with Measurement While Drilling (MWD) tools confirmed that the well that had been entered was indeed BR-X4 rather than Brockham-X1.

- Best practices for operational safety dictated that only when operations were finished and the well was safely cased off could the Company determine the root cause of the well numbering confusion. Angus Energy determined that the mismatch was caused by an undocumented, non-standard, spool piece which was installed by the previous owners of the field and resulted in the ‘mislabelling’ of the well head.
- No matter the determination by the Company, whether it was a re-entry of Brockham-X1 or a sidetrack of BR-X4, either operation was fully permitted within the Company’s regulatory approvals from the relevant authorities. It should be noted, that a sidetrack is a component of a drilled well. It is not a well and cannot be created or exist independent of the actual well.
- Angus Energy has been transparent throughout its operations. As such, it apprised the SCC of the documentation discrepancy as discovered during the January operations.
- Prior to the confusion over well numbering, in December 2016, the County Council gave advice that any new well was not to be drilled into ‘*any different geological formations or to a deeper depth or into any undrilled area than already drilled to*’. The geological area of interest was already drilled and defined by our existing permits for the wells and their inclusive sidetracks. Taken in the context of our actual communications, this letter is unrelated to our operations in January.

For reference, the original Brockham-X1 well was drilled by BP to a total depth of 2,070m Total Vertical Depth (TVD) while the X4Z sidetrack only reached a depth of 1,391m TVD. Well within the constraints of the existing geological envelope of operations.

- Despite the misleading press reports, no new well was drilled nor were any operations conducted into any different geological formations, at a deeper depth or in any undrilled area.

Upon OGA approval the Company plans to put this well into production as soon as possible.

Paul Vonk, Angus Energy’s Managing Director commented:

“It is regrettable that some confusion did arise from the discrepancy in well numbering, however Angus have drilled the Brockham–X4Z well in a fully authorised manner under the planning permissions already granted and in existence and with full approvals necessary by the relevant governing authorities. Angus Energy dutifully operates under strict supervision from all our regulators. During this entire matter, Angus Energy did just that, within both the spirit and letter of the law. Our operations will always be performed using best practices for oil field safety and the environment. This is the ethos of Angus Energy.

We very much look forward to starting oil production at Brockham from the Kimmeridge layers for the first time in the Weald Basin. This is an exciting chapter for the Company in the long history of onshore UK oil production.”

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About Angus Energy plc.

Angus Energy plc. is an AIM quoted independent onshore oil and gas development company focused on leveraging its expertise to advance its portfolio of UK assets as well as acquire, manage and monetise select projects. Angus Energy owns the majority interest and operates conventional oil production fields in Brockham (PL 235) and Lidsey (PL 241).

Full details on the PL235 and PL 241 licences are set out in the Company's AIM Admission document dated 12 November 2016.