

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

Angus Energy Commences Production from Lidsey-X2

Angus Energy Plc, a conventional oil and gas production and development company, is pleased to announce it has commenced production at Lidsey Oil Field from the well, Lidsey-X2.

Following the drilling and completion of the Lidsey-X2 horizontal production well, which was drilled on time and within budget, the Company is working through the production start-up and production has now been initiated. Initial start-up rates of production from the Great Oolite reservoir are coming in at forty barrels of 38.5 API of dry oil per day. The fluid column (oil) extends to 322m from surface (bottom hole depth of 1,009.3m) with a measured static bottom hole pressure of 764 psi. The Great Oolite is the first of three reservoirs with potential viability in Lidsey-X2 as per the Company RNS of 6 November 2017.

Compared to pre-drill assessments set forth in the Competent Person's Report ("CPR") of the 7 November 2016 Admission Document, flow rates from the Great Oolite reservoir are below expectations, and work is continuing to clean up the well. The Company is investigating the new geological and borehole information to update its understanding of the reservoir. In addition, the Company is currently examining evidence that suggests a partial flow reduction is the result of a hole in the production tubing, therefore not allowing the well to be fully drawn down. The Company is conducting further analysis and if confirmed, the Company will undertake operations to repair the tubing which will allow maximum draw from the reservoir. This is the priority for the Company over the coming weeks.

In addition to any necessary repair, industry information and technical guidance on analogous wells in the region suggest initial flow rates can be improved. Angus Energy believes its initial flow rates from Lidsey-X2 have similar potential for increased yield. Therefore, the Company is conducting a thorough study to optimise and enhance production levels from the Great Oolite.

Further to the Company RNS of 6 November 2017, Angus Energy will submit an FDP Addendum to the Oil and Gas Authority ("OGA") to begin production appraisal of the Kimmeridge and Oxford layers at Lidsey.

Operations Update: Lidsey-X1

The Lidsey-X1 well, first drilled in 1987, will now resume production from the Great Oolite reservoir in addition to production from Lidsey-X2. The Company expects to achieve the historic production levels of 15-20 barrels of oil per day ("bopd") before the well was shut in nearly 2 years ago in January 2016.

Given the encouraging geochemical analysis of Lidsey-X2's Kimmeridge and Oxford Layers, disclosed in the Company RNS of 6 November 2017, the above-mentioned FDP Addendum will include a submission to conduct analysis of the production potential from the Kimmeridge layer and Lias source rock from Lidsey-X1. The Lidsey-X1 exploration well was previously drilled through all the aforementioned layers.

The Lias source rock, positioned beneath the Great Oolite, has a comparable composition to the interbedded limestones / shales found in the hybrid Kimmeridge reservoir at the Company's Brockham Oil Field, located on the northern end of the Weald Basin. The deeper depth of the Lias source rock in the Lidsey-X1 indicates an increased maturity as compared to layers above the Great Oolite such as the component Kimmeridge and Oxford layers of the Lidsey-X2, as outlined in the Company RNS of 6 November 2017.

Paul Vonk, Managing Director of Angus Energy, commented:

“Production has now commenced from Lidsey-X2. This project was delivered on time and on budget. Even with these initial flow rates, Lidsey-X2 provides commercial production and cash flow. We will continue to optimise production from the Great Oolite reservoir at Lidsey as we work to increase flow rates and we look forward to developing its additional reservoirs to enhance long run value for our shareholders.”

Qualified Person's Statement:

Chris de Goey, a Non-Executive Director of the Company, who has over 20 years of relevant experience in the oil and gas industry, has approved the information contained in this announcement. Mr de Goey is a member of the Petroleum Exploration Society of Great Britain and the Society of Petroleum Engineers.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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About Angus Energy plc.

Angus Energy plc. is a UK AIM quoted independent onshore oil and gas production and 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 majority owns and operates conventional oil production fields at Brockham (PL 235) and Lidsey (PL 241) and has a 12.5% interest in the Holmwood licence (PEDL143).

Interest in Lidsey Oil Field (PL 241):

Following completion of the acquisition of a 10% interest from Terrain Energy (RNS 4 May 2017) the Group will own a 60% direct interest in the Lidsey Oil Field and a 50% economic interest in the Lidsey-X2 well which is held under UK Production Licence PL 241.

Enquiries:

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