

RNS Number : 8106T
Prospex Oil and Gas PLC
10 January 2017

Prospex Oil and Gas Plc / Index: AIM / Epic: PXOG / Sector: Oil and Gas

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Prospex Oil and Gas Plc ('Prospex' or the 'Company')
Update on Onshore Poland Well

Prospex Oil and Gas Plc, the AIM quoted investment company, announces an update on its investment in the Kolo Licence ('Kolo' or the 'Licence'), onshore Poland. Drilling operations at the Boleslaw-1 well ('Boleslaw-1' or 'the Well') on the Licence have been completed. The Well spudded on 10 December 2016 and reached a total depth ('TD') of 1550 metres on 10th January 2017. In line with the pre-drill geological model a Campanian shallower siliceous rich interval, between 980 metres and 1026m of depth below ground level, and a Santonian sandstone zone, between 1333m and 1375m of depth below ground level, were penetrated however no recoverable hydrocarbons were indicated on the mud logs. As a result, the operator has advised the Company that the Well is to be plugged and abandoned. Operations will continue for some days, including wireline logging and subsequent petrophysical analysis.

The Company and its partners in Kolo will conduct a detailed post-drill technical review of all relevant well and seismic data to determine the way forward with this large exploration licence, which covers an area of 1,150 sq km in the productive Polish Central Basin. The Kolo block has additional prospectivity independent of the Boleslaw gas prospect, including an oil target that has been identified based on the re-interpretation of seismic data using sequence stratigraphy techniques. The oil target is a turbidite system fan, typical of a possible low-stand systems tract.

Kolo is 100% owned by Strzelecki Energia Sp z.o.o ('Strzelecki'), a wholly owned subsidiary of Hutton Poland Limited ('Hutton') in which Prospex holds a 49% interest, alongside Hutton Energy (30.6%) and Grand Gulf Energy Limited (20.4%).

Prospex non-executive Chairman, Bill Smith, said "While the outcome is disappointing, Boleslaw was drilled safely, on schedule, and on budget. We believe this is testament to the performance of the engineering crew on the ground as well as the quality of the pre-drill technical work undertaken by the partners. Boleslaw was the first well to be drilled on this large licence, which is located in a working hydrocarbon system. Further technical work will now be conducted to generate an updated geological and hydrocarbon system model, as the partners plan the next

steps for the Licence. This work will incorporate all the data and geological samples recovered from the Well.

"Prospex is an investment company run by a management team with a proven track record of generating value in the resources sector. It has always been our intention to build a portfolio of projects in Europe that match our investment criteria, specifically those which would benefit from our team's proven expertise in re-working existing data to identify and map new prospects; have the potential to hold multiple targets that can be drilled within short timelines and at low cost; and, in our view, are undervalued on a risk / reward basis. With this in mind, we are actively evaluating a number of additional projects and I look forward to providing further updates on our progress."

Carlos Venturini, Fellow of the Geological Society of London, Exploration Manager has reviewed and approved the technical information contained within this press release in his capacity as a qualified person, as required under the AIM Rules.

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

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Notes

Prospex Oil and Gas Plc is an AIM quoted investment company focussed on high impact onshore and shallow offshore European opportunities with short timelines to production. The Company's management is looking to repeat the success it has had in the past by acquiring undervalued projects with multiple, tangible value trigger points that can be realised within 12 months of acquisition and then applying low cost re-evaluation techniques to identify and de-risk prospects.

This information is provided by RNS
The company news service from the London Stock Exchange

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