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Prospex Oil and Gas PLC
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Prospex Oil and Gas Plc ('Prospex' or the 'Company')
Drilling Plan Approved for Onshore Poland Well

Prospex Oil and Gas Plc, the AIM quoted investment company, is pleased to provide an update on its investment in the Kolo Licence ('Kolo' or the 'Licence'), onshore Poland. The well drilling plan ('Plan Ruchu') has been approved by the Polish Mining Authority to drill the Boleslaw-1 well ('Boleslaw-1' or 'the Well') in the 1,150 sq km Licence. The approval of the plan represents the final regulatory milestone ahead of drilling Boleslaw-1, which is targeting gas in an active petroleum system. With well pad construction currently underway and on schedule, Boleslaw-1 remains on track to be drilled in December 2016.

The Well will be targeting Boleslaw, a drill ready gas prospect with two mapped reservoirs that was assigned by AGR TRACS in an independent Competent Persons' Report ('CPR') a gross best estimate of 87 bscf and a risked current valuation (net to Prospex) ranging from US\$7.1m to US\$12.2m (£5.6m and £9.7m based on £/\$ rate of 1.26 as at 01 December 2016). See announcement of 26 May 2016 for further details. In the CPR, AGR modelled production scenarios at 3,333-6,666 boe per day from a single well and assigned a Net Present Value ('NPV') range of between US\$44m and US\$95m (net to Prospex) (£35m and £75m based on £/\$ rate of 1.26 as at 01 December 2016). 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.

Prospex non-executive Chairman, Bill Smith, said "With all regulatory boxes now ticked and preparatory work on the ground well advanced, the 87bscf gas well at Boleslaw remains on course to be drilled later this month. While there can be no guarantee of success, thanks to being assigned an NPV range of between £35m and £75m (net to Prospex) by our competent person AGR in May 2016, we nevertheless rate this well a low risk company maker. Our objective is to build a portfolio of potential company-makers. With this in mind we are currently evaluating other undervalued projects in Europe that would benefit from our team's proven expertise in re-working existing data to identify and map new prospects, which can then be drilled within short timelines and at low cost. I look forward to providing further updates on our progress."

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