

RNS Number : 5807W
Prospex Oil and Gas PLC
28 April 2016

Prospex Oil and Gas plc

("Prospex" or the "Company")

Investment Update

Licence Award

Further to the announcement of 8 April 2016, Prospex is pleased to announce that Hutton Poland Limited ("Hutton"), has now been formally awarded the Kolo License. Prospex holds a 49% interest in Hutton.

Prospex has been advised by the directors of Hutton that the Boleshaw prospect on the Kolo Licence is ready for drilling, with a drill location determined. The Boleshaw prospect has been worked up using 1650km of 2D seismic already owned by Hutton. The licence award will allow the Hutton team to enter into the final stages of preparing to drill a well and it is anticipated that the first well will be drilled in 2016, subject to environmental permitting.

Further announcements will be made in due course.

Summary of Kolo Licence Work commitments

The licence over the Kolo concession is a four year exploration licence comprising two phases of work, each of 2 years' duration. Hutton has committed to undertake the following work::

Stage 1 (24 months from April 2016):

- Reprocessing and interpretation of 2D seismic data;

- Acquisition of 50 line-km 2D or 25 km² 3D seismic data
- Optional acquisition of 200 line-km 2D or 100 km² 3D seismic data
- Optional drilling of 2 (two) wells to a maximum depth of 5,000m each, with a maximum of 8 (eight) lateral sections of a maximum length of 2,000m each.

Stage 2 (24 months from April 2018):

- Drilling 1 (one) well to a maximum depth of 5,000m.
- Optional drilling of a maximum of 8 (eight) lateral sections of a maximum length of 2,000m each.
- Optional acquisition of 4 (four) 2D seismic surveys over 100 line-km each.
- Optional acquisition of 4 (four) 3D seismic surveys over 50 km² each.
- Optional drilling of 4 (four) wells to a maximum depth of 5,000m each, with a maximum of 8 (eight) lateral sections of a maximum length of 2,000m each.

Bill Smith, Prospex Chairman, commented:

"We are delighted that the licence has been finalised. This will really allow the work on the ground to continue at a pace and we look forward to providing further updates to our shareholders."

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