Horse Hill Developments Ltd
("HHDL" or the "Company")

Portland high-rate flow test successfully completed
Horse Hill-1 ("HH-1") Portland and Kimmeridge oil discovery, Weald Basin, UK

Highlights:

• Portland short-term high rate tests achieve stable implied equivalent daily pumped rates of 401 and 414 barrels of oil per day ("bopd") of dry 36 API oil over two periods of 6 and 2 hours, respectively. Maximum instantaneous half-hourly pumped rates of 441 and 470 bopd.

• The maximum rate recorded was limited by the rod pump’s maximum rate capacity of approximately 470 bopd. Higher capacity rod pump sourced and mobilised for use at HH-1.

• Metered daily oil rates and recovered Portland volumes to date exceed 2016 test values.

• Associated solution gas rates of around 41,000 cu ft per day.

• Forward extended well test ("EWT") programme includes flow optimisation necessary to determine the maximum sustainable long-term flow rate and a lengthy stabilised flow period to test if the well accesses a commercially viable oil volume.

• The primary EWT objective, to establish the commerciality of the Kimmeridge Limestone 3 & 4 oil pools, will follow directly after the completion of the Portland test sequence.

Horse Hill Developments Ltd, the operator of the HH-1 Kimmeridge and Portland oil discovery, located in licence PEDL137, is pleased to announce that the planned high rate Portland test sequence, designed to assess the reservoir’s maximum short-term flow capacity, has been successfully completed. Stable implied daily pumped rates of 401 and 414 bopd of dry 36 API oil were recorded over two periods of 6 and 2 hours, respectively, with associated maximum half hourly pumped rates of 441 and 470 bopd. Metered solution gas rates of around 41,000 cu ft per day were recorded through the test separator over the two maximum rate periods.

As maximum initial rates were restricted by the pump’s capacity of around 470 bopd, a larger capacity pump has been sourced and has been mobilised to site for possible use during the remainder of the Portland test sequence.

To date, the recorded implied daily oil rates and overall produced Portland oil volumes exceed those reported from the initial short-term test programme of March 2016. The Portland oil exported from HH-1 to date is of Brent Crude quality and exceeds minimum refinery specifications, containing only around 0.2% water content.

It should be noted that the above high rate results are not the long-term sustainable flow rates that will be utilised to assess the Portland’s commercial viability as part of the next test phase.

Forward EWT Plans
Following a planned further short restricted flow period and pressure build up test, flow will be further optimised to determine the well’s sustainable long-term production rate and to test whether the well can recover a commercially viable volume of oil.
The primary EWT objective of testing the two underlying Kimmeridge Limestone 3 & 4 oil pools, which in 2016 flowed 40 API crude naturally to surface at an aggregate implied stable dry oil rate of 1,365 bopd, will commence directly after completion of the Portland test.

Further updates will be provided as the EWT progresses.

**Stephen Sanderson, HHDL Director, commented:**

"HH-1 continues to deliver positive results that exceed the 2016 Portland test outcomes. The excellent short-term high rate test results, combined with pressure build up data, provide further confidence that the next phases of the Portland test can deliver both an optimal sustainable long-term flow rate and deliver the primary objective of confirming the Portland’s commercial viability.

Whilst the potential future near-term cash flow from the Portland is very important to UKOG, we should not lose sight of the significance of the potential prize that lies in the underlying primary Kimmeridge objective, the long-term testing of which will follow directly after the Portland programme."