



JERSEY OIL&GAS



# Corporate Presentation Building Value in the North Sea

January 2019

The information contained in this document (the "Corporate Presentation") has been prepared by Jersey Oil and Gas Plc ("JOG"). JOG is a UK company quoted on AIM, a market operated by London Stock Exchange plc. This corporate presentation has not been fully verified and is subject to material updating, revision and further verification and amendment without notice. This Corporate Presentation has not been approved by an authorised person in accordance with Section 21 of the Financial Services and Markets Act 2000 (as amended) ("FSMA") and therefore it is being provided for information purposes only.

While the information contained herein has been prepared in good faith, neither JOG nor any of its directors, officers, agents, employees or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Corporate Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as "Information") and liability therefore is expressly disclaimed. Accordingly, neither JOG nor any of its directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Corporate Presentation.

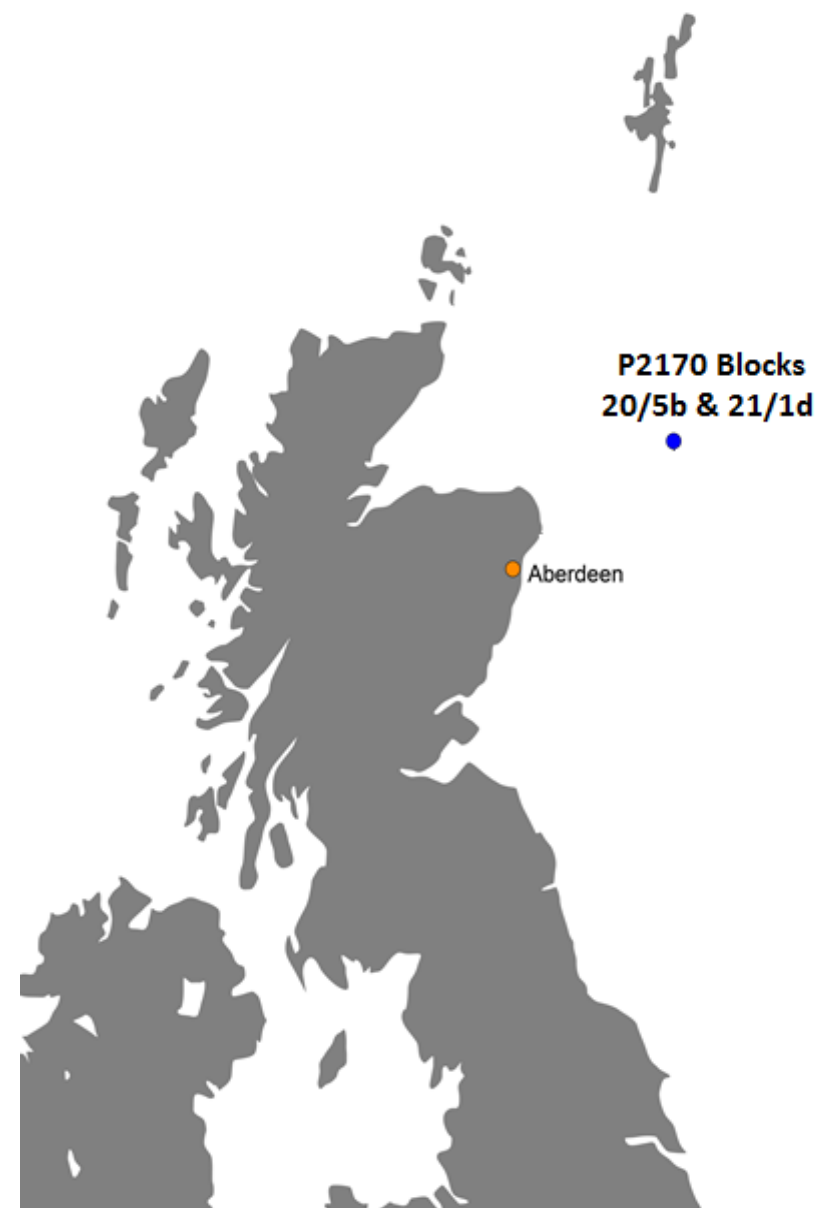
The views of JOG's management/directors and/or its partners/operators set out in this document could ultimately prove to be incorrect. No warranty, express or implied, is given by the presentation of these figures here and investors should place no reliance on JOG's or any operators' estimates cited in this document.

No assurance can be given that hydrocarbon resources and reserves reported by JOG, will be recovered at the rates estimated or that they can be brought into profitable production. Hydrocarbon resource and reserve estimates may require revisions and/or changes (either up or down) based on actual production experience and in light of the prevailing market price of oil and gas. A decline in the market price for oil and gas could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources. There are uncertainties inherent in estimating the quantity of resources and reserves and in projecting future rates of production, including factors beyond JOG's control. Estimating the amount of hydrocarbon resources and reserves is an interpretive process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in material revisions to original estimates. Any hydrocarbon resources data contained in this document are unaudited management estimates only and should not be construed as representing exact quantities. The nature of reserve quantification studies means that there can be no guarantee that estimates of quantities and quality of the resources disclosed will be available for extraction. Therefore, actual production, revenues, cash flows, royalties and development and operating expenditures may vary from these estimates. Such variances may be material. Any reserves estimates contained in this document are based on production data, prices, costs, ownership, geophysical, geological and engineering data, and other information assembled by JOG (which it may not necessarily have produced). The estimates may prove to be incorrect and potential investors should not place reliance on the forward looking statements contained in this document concerning JOG's resources and reserves or production levels. Hydrocarbon resources and reserves estimates are expressions of judgement based on knowledge, experience and industry practice. They are therefore imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate. Accordingly, two different independent parties may not necessarily arrive at the same conclusions. The views of management/directors as set out in this document could ultimately prove to be incorrect. Estimates that were reasonable when made may change significantly when new information from additional analysis and drilling becomes available.

This Corporate Presentation may contain "forward-looking statements" that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding JOG's intentions, beliefs or current expectations concerning, among other things, JOG's results of operations, performance, financial condition, prospects, growth, strategies and the industry in which JOG operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as of the date of this Corporate Presentation and JOG does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Corporate Presentation. This Corporate Presentation should not be considered as the giving of investment advice by JOG or any of its directors, officers, agents, employees or advisers. In particular, this Corporate Presentation does not constitute or form part of any offer or invitation to subscribe for or purchase any securities and neither this Corporate Presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purpose whatsoever on the information or opinions contained in these slides or the Corporate Presentation or on the completeness, accuracy or fairness thereof. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and each recipient should satisfy itself in relation to such matters.

Neither this Corporate Presentation nor any copy of it may be (a) taken or transmitted into Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or the United States of America (each a "Restricted Territory"), their territories or possessions; (b) distributed to any U.S. person (as defined in Regulation S under the United States Securities Act of 1933 (as amended)) or (c) distributed to any individual outside a Restricted Territory who is a resident thereof in any such case for the purpose of offer for sale or solicitation or invitation to buy or subscribe any securities or in the context where its distribution may be construed as such offer, solicitation or invitation, in any such case except in compliance with any applicable exemption. The distribution of this document in or to persons subject to other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

- AIM quoted company focused on building a low-cost, high value company in UK North Sea
- Experienced management team aligned with shareholders
- Verbier Oil Discovery
  - Up to 130 million barrel discovery
- Fully funded for Verbier appraisal and further exploration
  - 2019 CAPEX guidance: £7-10 million
  - Interim 2018 cash : £22.1 million



AIM Quoted – LN:JOG*	
Market Cap	£44 MM
Share Price	202p
Shares Outstanding	21.8 MM

\* Close 21<sup>st</sup> January 2019



## Non-Exec.



**Marcus Stanton, Non Exec. Chairman**  
Strengths: Investment Banking, Finance, Corporate Governance



**Frank Moxon, Non Exec. Director**  
Strengths: Management, Corporate Governance, Capital raising, M&A

## Legal



**Sean Rush, Legal Counsel**  
Strengths: Legal, Commercial

## Company Secretary



**John Church, Company Secretary**  
Strengths: Accounting, Corporate Governance

## Directors



**Andrew Benitz, CEO**  
Strengths: Commercial, Corporate, Team Management



**Ron Lansdell, COO**  
Strengths: Geophysics, Exploration Project Execution, Commercial



**Vicary Gibbs, CFO**  
Strengths: Investment Banking, Corporate Finance

## Management



**Martin David, Manager Exploration and Licences**  
Strengths: Geology, Exploration Management



**David Larcombe, Engineering & Commercial Manager**  
Strengths: Process Engineering, Field Development, Asset Valuation



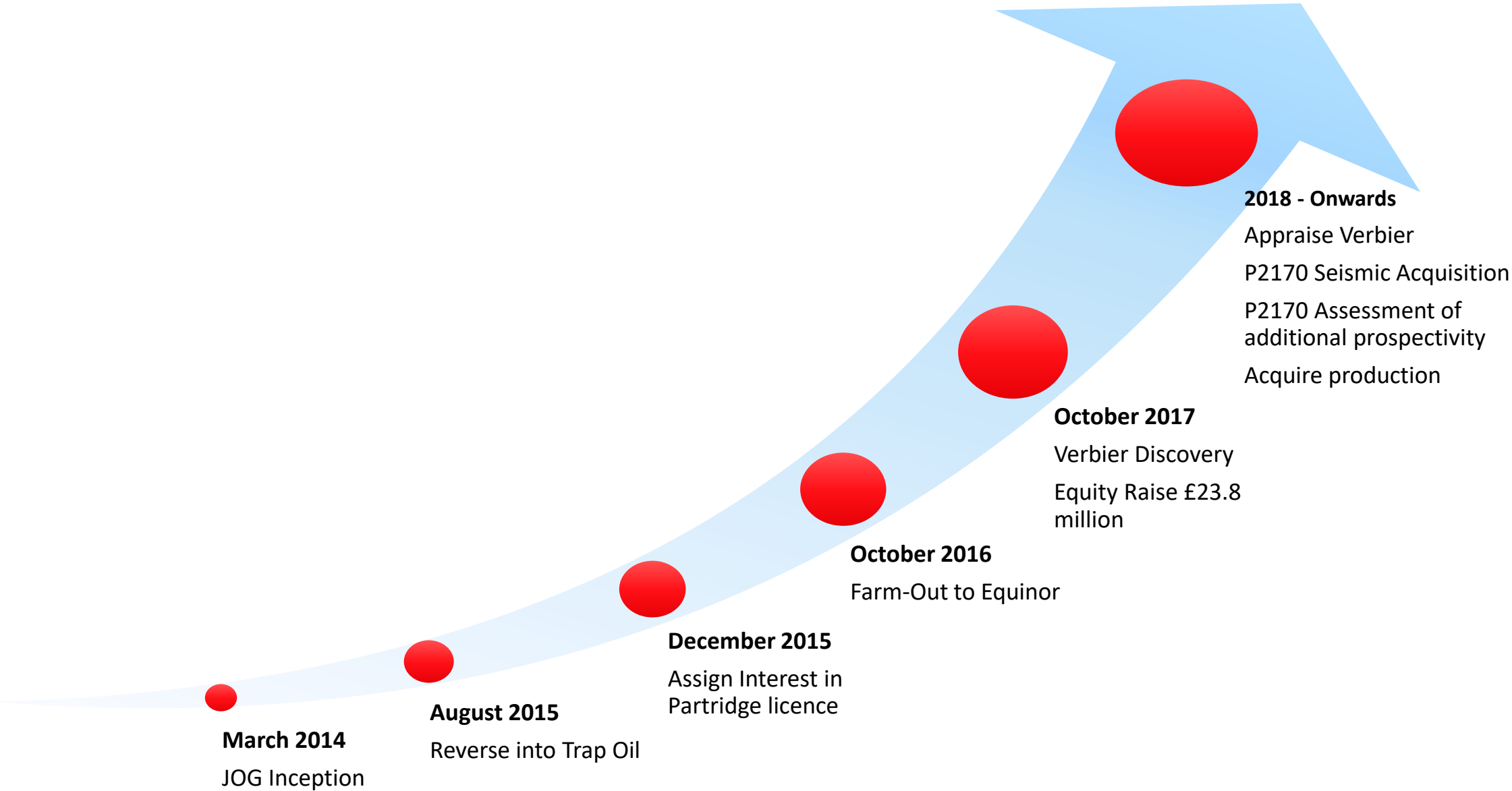
**Dr Satinder Purewal, VP Technical**  
Strengths: Petroleum Engineering



**Dr Nasser Bani Hassan, Senior Geoscientist**  
Strengths: seismic data acquisition, processing and interpretation



**Rebecca Smith, Financial Controller**  
Strengths: Account Management, Finance



**Strategy: North Sea focused mid cap E&P company within 3 – 5 years**



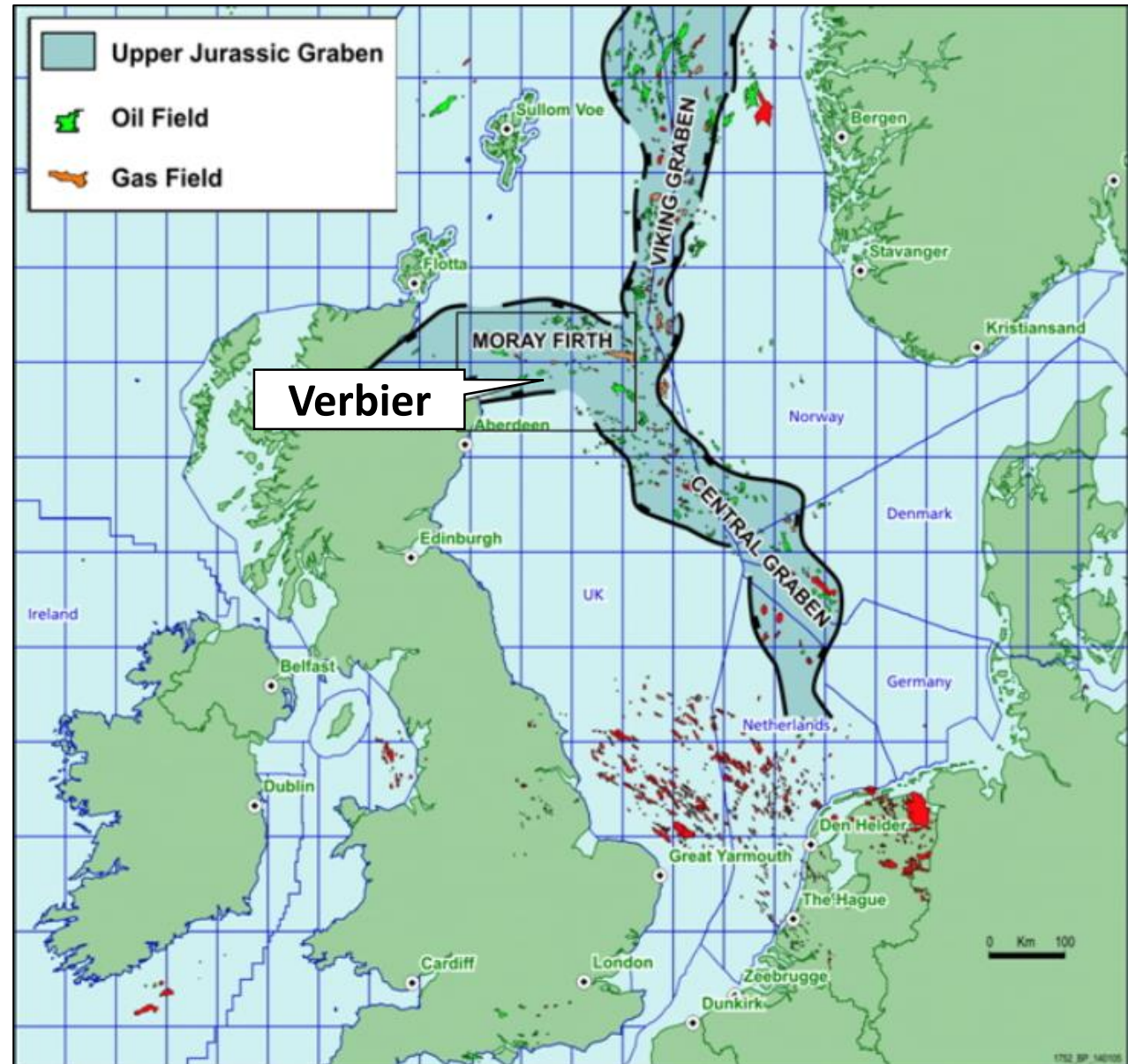
JERSEY OIL&GAS



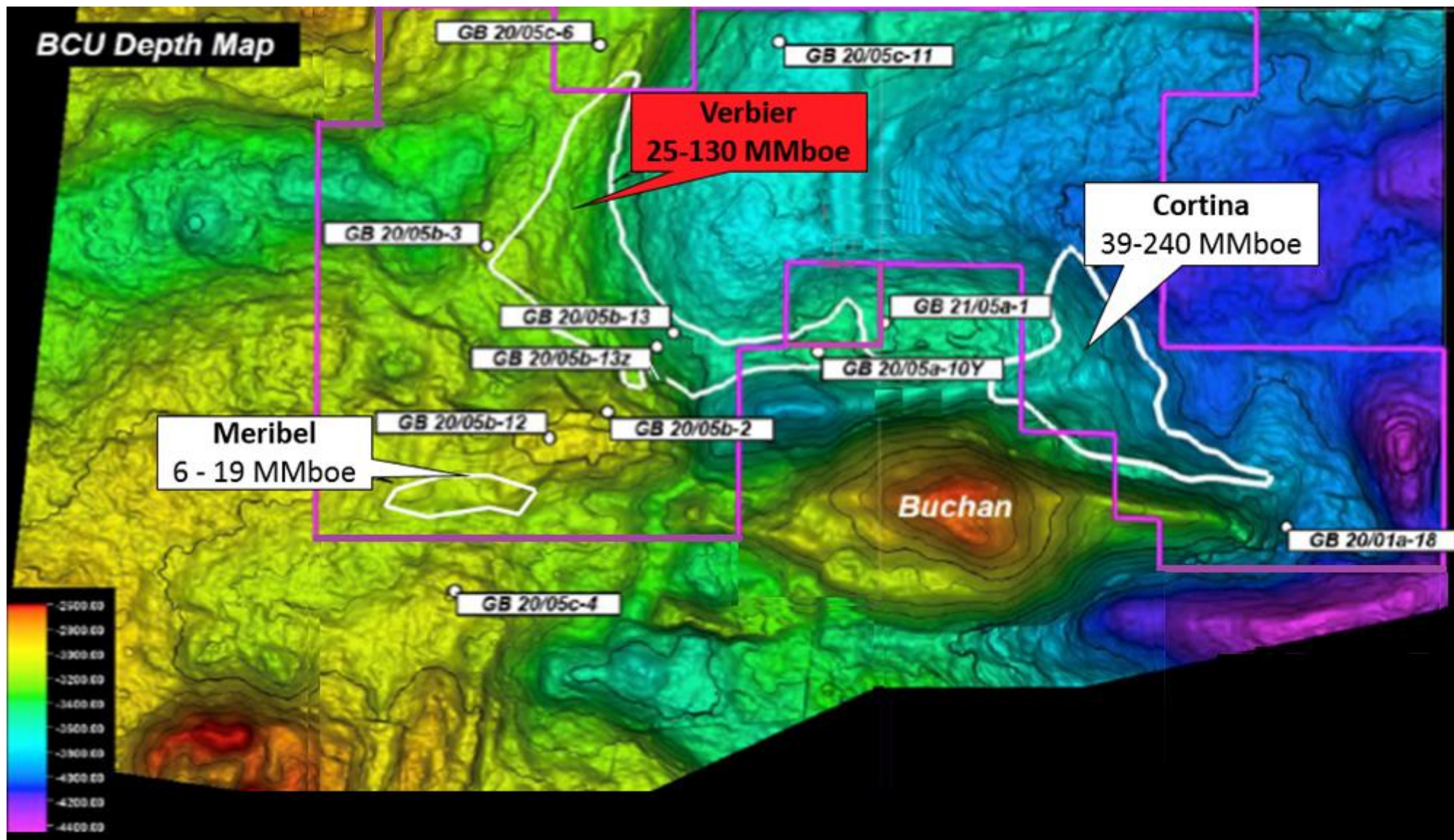
P2170 – Verbier Oil Discovery



- 100 km offshore NE Aberdeen
- Outer Moray Firth
- 55km east of Buzzard  
840 MMboe – analogous geology
- Proximity to Forties Pipeline System
- Completed farm out to Equinor: 07.10.16
- Elected to drill: 15.11.16
- Drilled 20/05b-13, 13Z
  - Verbier oil discovery 9<sup>th</sup> October 2017
- Verbier appraisal well programme first quarter 2019
  - Verbier appraisal well and optional sidetrack
- Progressing P2170 potential Area Development Plan







**P2170 potential recoverable volumes; 25-389 MMboe**

*Cortina resources as per the ERCE CPR 2017. Meribel resources are management estimates*





Market Cap  
\$76 Billion  
70% Working  
Interest



Market Cap\*  
\$29 Billion  
12% Working  
Interest



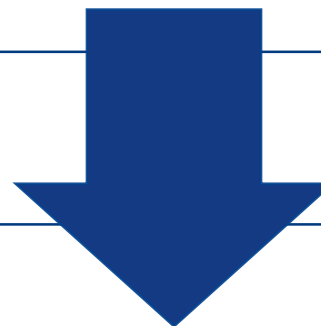
Market Cap  
£44 Million  
18% Working  
Interest

**Potential big oil play with small company upside**

*\*CIECO is a subsidiary of Itochu  
Market Cap Close 21<sup>st</sup> January 2019*

## Discovery - 2017

- Discovery of between 25 and 130 million barrels gross recoverable oil



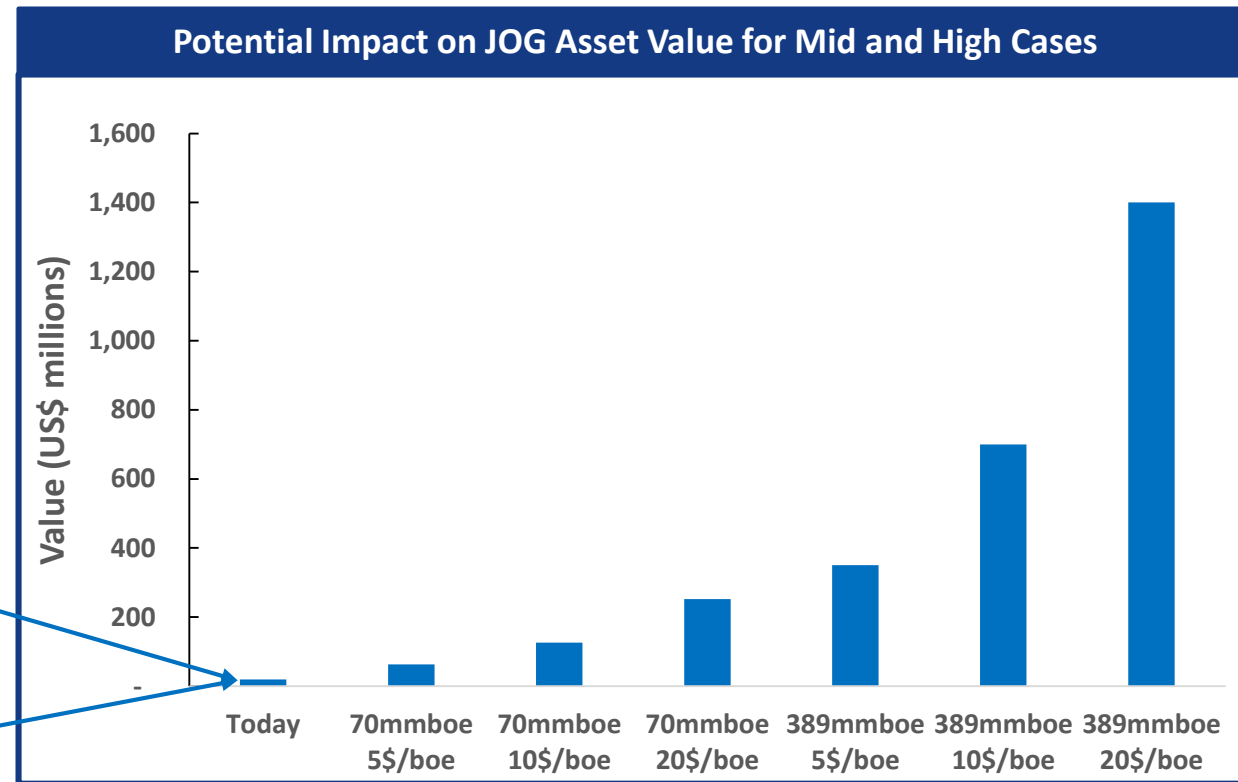
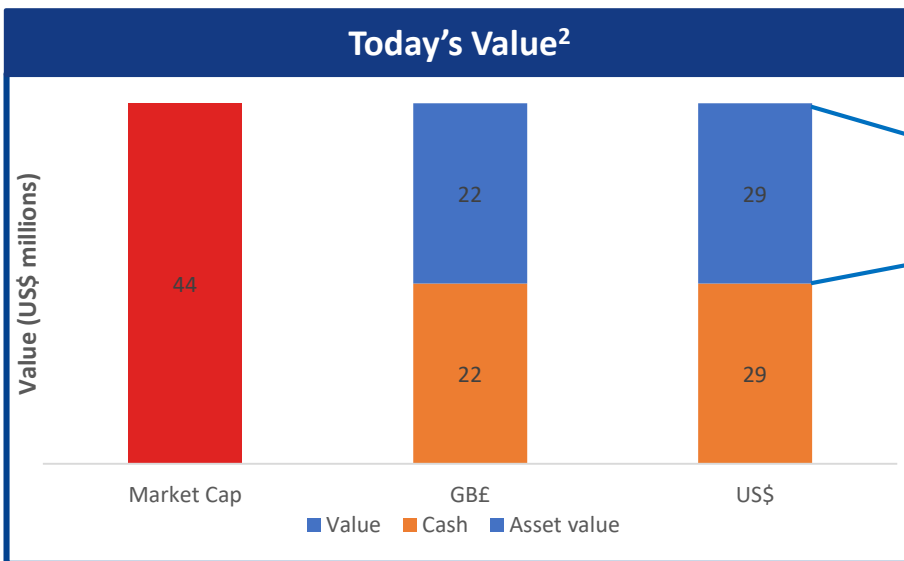
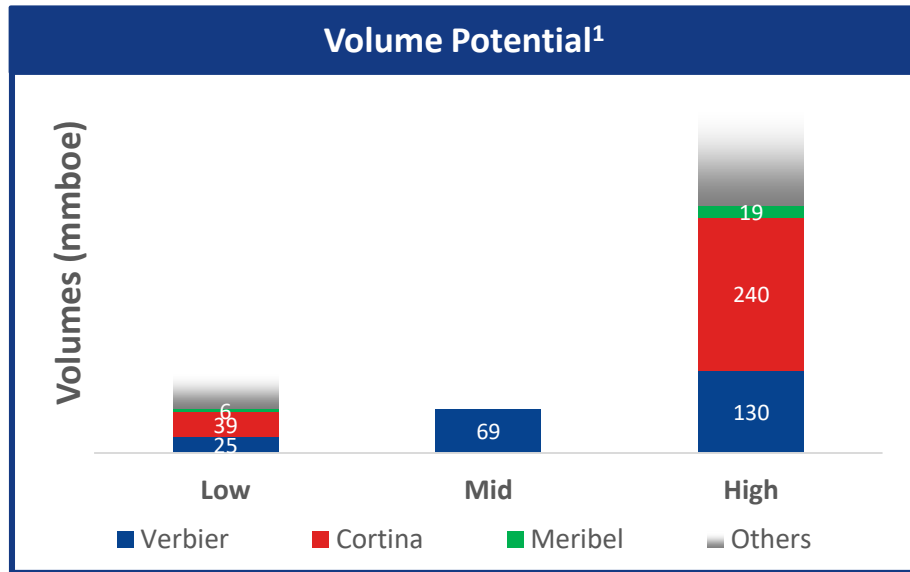
## Appraisal – 2018 / 2019

- Analysis of discovery well
- New 3D seismic over P2170 and offset acreage
- Verbier appraisal planned for drilling Q1 2019
  - Determine the volume range in the discovery



JOG investing c.£11m to potentially significantly increase proven recoverable volumes





**JOG's implied asset value today is only c. US\$22m - The potential is much more interesting...**

<sup>1</sup> Verbier resources from RNS Number : 0060T, Jersey Oil and Gas PLC, Cortina resources from CPR written by ERCE 2017. Meribel resources are JOG management estimates – from 28th Licensing Round application

<sup>2</sup> Market capitalisation as at 21<sup>st</sup> January 2019, FX rate assumed 1:1.30 GB£:US\$

## West Phoenix Rig



- Sixth generation semi-submersible
- Dual derrick
- Dynamically positioned and anchored
- Main deck equivalent in size to a rugby pitch
- BOP rated to 15,000 PSI
- Accommodation for 128 persons

### Equinor Drilling Programme Q4 2018 - Q1 2019

- The West Phoenix rig will shortly come on contract with Equinor UK
- Verbier is the 3<sup>rd</sup> well on the UKCS drilling programme

### Verbier Appraisal Programme Q1 2019

- Estimated drill time 30 – 40 days
- Possible side track
- JOG fully funded

**Appraisal objective: Prove up more recoverable volumes**

*\*Estimated timings are indicative only and a function of weather and drilling outcome*



The Sanco Swift Seismic Vessel



- Shot Q2 2018 over P2170 and certain offset acreage
- Survey optimised to advance the interpretation of the Verbier discovery and assessment of other exploration opportunities within the P2170 licence area
- Fast track dataset volume delivered December 2018
  - Interpretation of dataset underway
- Final imaged data available end Q2 2019
- Integrated with Verbier appraisal well results
- Update Cortina prospect and other prospectivity on Licence area

The data will be key to maximising the value of P2170

## Notional Development Scenario

- Wellhead Platform linked to a production platform
- Lifecycle costs under \$35/boe
- Category 5 estimates
- Adding tie backs from other discoveries significantly reduces cost/boe

Lifecycle Cost \$/boe	
CAPEX	10 – 13
OPEX	14 – 18
ABEX	2 – 4
<b>Total</b>	<b>26-35</b>

Indicative Development Parameters	
Recoverable Resources	130 MMboe
Daily Peak Production	55-65 Mbopd
Appraisal	2018
First Production	2022
API Gravity <sup>2</sup>	39

## Illustrative Wellhead Platform & Production Platform

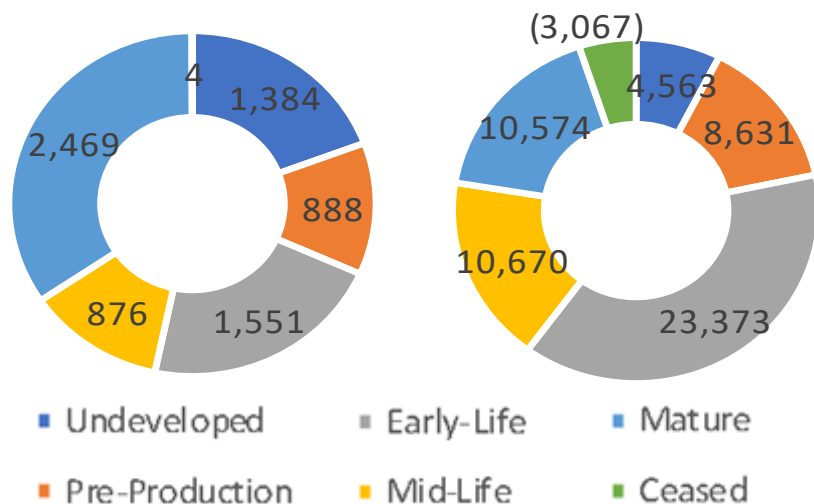


1 JOG Indicative Management Estimates. All costs in this slide are Real 2017 GBP

2 Inferred from the Drill Stem Test performed on the 20/5a-10Y well 29.09.06



## Remaining Reserves (MMboe)<sup>1</sup> NPV \$MM<sup>1</sup>



## JOG Acquisition Strategy

- Seeking to acquire value-enhancing North Sea production assets in addition to advancing P2170 work programme
- Multiple asset acquisition opportunities in the pipeline under evaluation
- Sensitive about equity dilution ahead of Verbier appraisal
- Optimal financial structure to minimise dilution to the Verbier story

## Key Details

### A prolific province

- 330 producing oil and gas fields
- Heavy infrastructure already in place
- Remaining reserves 5-20bn barrels

### Commercially Attractive

- Rig rates remain attractive
- Average operating costs are down 30-40% in recent years

### Strong government support

- Headline tax rate 40%
- OGA MER Programme to extend life of fields and infrastructure
- Transferable tax history available with asset purchases

<sup>1</sup> Commercial only (i.e. does not include technically economic field potential) NPV is on a post tax basis. Source: Woodmac UDT – Independent peer group, Commercial and Technical volumes

## People

- Highly experienced North Sea management team
- Key management have significant shareholdings
- JOG has a diversified, nimble and tenacious team

## P2170 Core Asset Value

- Verbier – Discovery October 2017
- Upcoming appraisal work programme
- Further de-risking of the Cortina Prospect and other prospectivity
- Assessment of additional prospectivity – new 3D seismic

## Production Asset Acquisition

- Significant ongoing deal flow
- £25 million of tax losses to enable competitive bids
- Indicative bank funding support and indicative oil major financial support

## Creation of Shareholder Value

- Successful execution of the ‘right’ deal
- Debt free with no material liabilities
- Fully funded for upcoming work programme

**Potential big oil play with small company upside**