



JERSEY OIL&GAS

Oil Capital Conference

Building Value in the North Sea
21st September 2016



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- ▶ AIM listed company focused on building a low-cost, high value company
- ▶ Experienced management team
- ▶ Creation of shareholder value:
 - ▶ Acquisition of production assets
 - ▶ Through existing portfolio
- ▶ Valuable exploration acreage:
 - ▶ Licence P.2170– High impact farm-out to Statoil, with cash receipt and well carry
 - ▶ Licence P.1989 - Conditional future payments of up to \$4mm
 - ▶ Licence P.2032– Disputed claim for £1mm against Total E&P UK
- ▶ £24mm tax losses to enable competitive bids
- ▶ Key management have significant shareholdings (17.2%)
- ▶ Indicative bank funding support
- ▶ Debt free with no material liabilities
- ▶ Low G&A

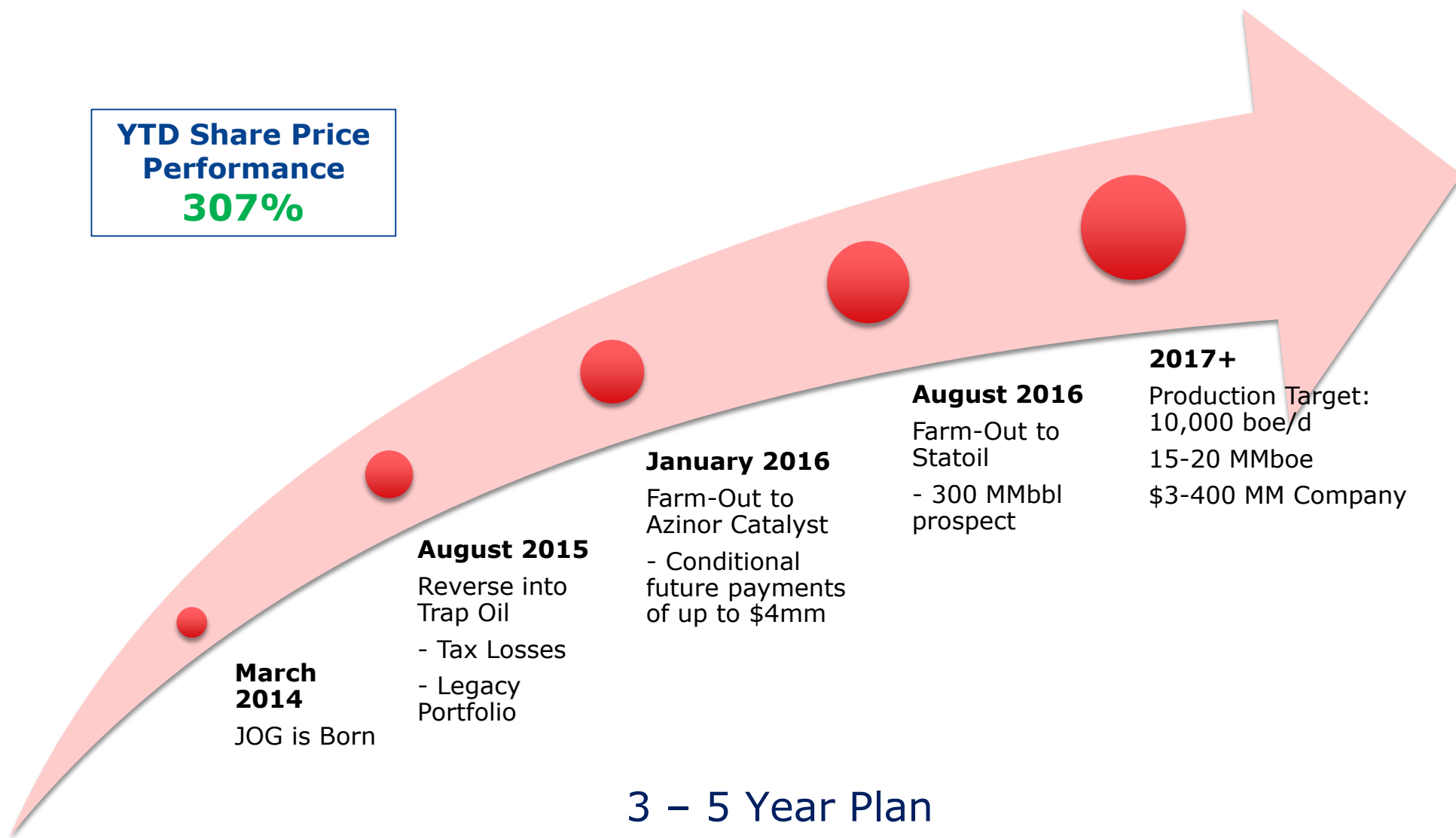
AIM Listed	JOG
Market Cap	£3.27 MM
Share Price	38p
Shares Outstanding	8.39 MM

JOG Management Core NAV Estimates

	Low £ MM	High £ MM
P.2170 Value*	3.74	78.3
Tax Loss Value (undiscounted)	0	9.6
P.1989 Conditional Payment	0	2.8
P.2032 Total Claim	0	1
H1 2016 Cash	0.6	0.6
Total	4.1	92.6
Value/Share (pence/share)	49	1,104

* Low Value is the Well Carry Value, High Value is Management internal estimate of P.2170 NAV with JOG retaining 18% WI

**YTD Share Price
Performance**
307%



Non-Exec.



Marcus Stanton, Non Exec. Chairman

Strengths: Investment Banking, Finance, Corporate Governance

- ♦ COO, Global Capital Markets, Robert Fleming & Co.
- ♦ Director of Hill Samuel & Co, Corporate Finance
- ♦ Numerous NED roles including Cardinal Resources
- ♦ Fellow of Institute of Chartered Accountants in England & Wales and Chartered Fellow of Chartered Institute for Securities and Investment



Frank Moxon, Non Exec. Director

Strengths: Management, Corporate Governance, Capital raising, M&A

- ♦ Cove Energy Plc, Senior Independent Director
- ♦ Williams de Broë Plc, Head of Corporate Finance and Natural Resources
- ♦ BSc in Economics and is a Chartered Fellow of the Chartered Institute for Securities and Investment
- ♦ Fellow of the Energy Institute and a member of the Petroleum Exploration Society of Great Britain



Andrew Benitz, CEO

Strengths: Commercial, Corporate, Team Management

- ♦ CEO, Longreach Oil and Gas
- ♦ COO, Longreach Oil and Gas
- ♦ Deutsche Bank (Oil and Gas Corporate Finance, ECM)
- ♦ Founder, Titan Properties
- ♦ BComm (Hons) Edinburgh and University of Alberta



Dr Satinder Purewal, VP Technical

Strengths: Petroleum Engineer

- ♦ Shell (Responsible for European Reserves Assurance and Global Reserves Training)
- ♦ Fellow of the Institute of Physics, Fellow of the Energy Institute
- ♦ Member of SPE, SPEE and a Chartered Engineer (CEng)
- ♦ Imperial College, MSc, PhD and visiting Professor of Petroleum Engineering

Directors



Ron Lansdell, COO

Strengths: Geophysics, Exploration Project Execution, Commercial

- ♦ Vice President of Exploration, Longreach Oil and Gas
- ♦ ENI (Nigeria, Kazakhstan and UK)
- ♦ BHP Petroleum (Western Australia)
- ♦ Elf Aquitaine (Norway, France, Syria)
- ♦ QGPC (Qatar)
- ♦ Fellow of the Geological Society of London
- ♦ University of London, BSc Geology



Scott Richardson Brown, CFO

Strengths: Finance, Corporate, Investor Relations, Commercial

- ♦ Qualified as an Accountant with PWC
- ♦ Partner of Oriel Securities Ltd.
- ♦ Director for CSR plc
- ♦ Director of Ascent Resources plc
- ♦ Fellow of the Institute of Chartered Accountants in England & Wales

Senior Management



Clive Needham, VP Business Development

Strengths: Geology, Commercial Management

- ♦ ENI (Aberdeen, London, Jakarta and Milan)
- ♦ Amoco (UK)
- ♦ Getty Oil (China)
- ♦ PetroFina (Norway, Vietnam)
- ♦ University of London, BSc Geology and Physics
- ♦ Fellow of the Geological Society of London and Chartered Geologist



Martin David, Exploration and Licences

Strengths: Geology, Exploration Management (All North Sea)

- ♦ Suncor Energy (UK)
- ♦ Petro-Canada (UK)
- ♦ Veba Oil & Gas
- ♦ Deminex
- ♦ Unocal
- ♦ University of London, BSc Geology



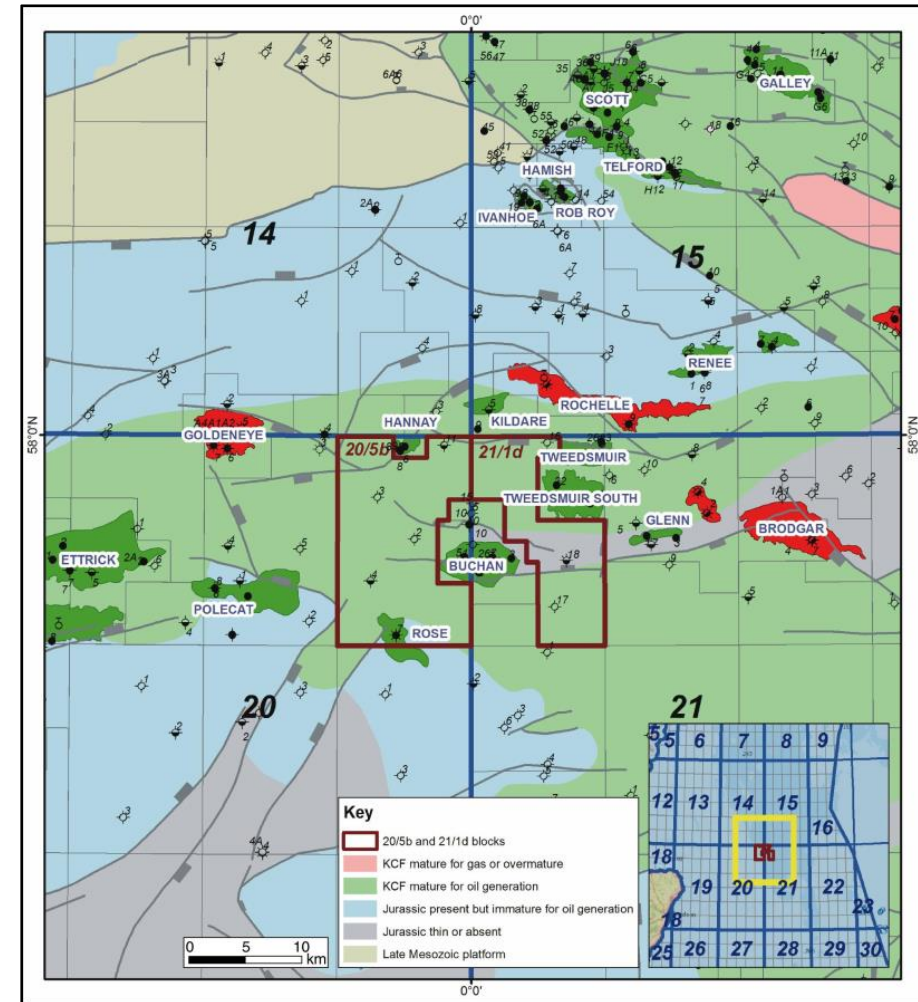
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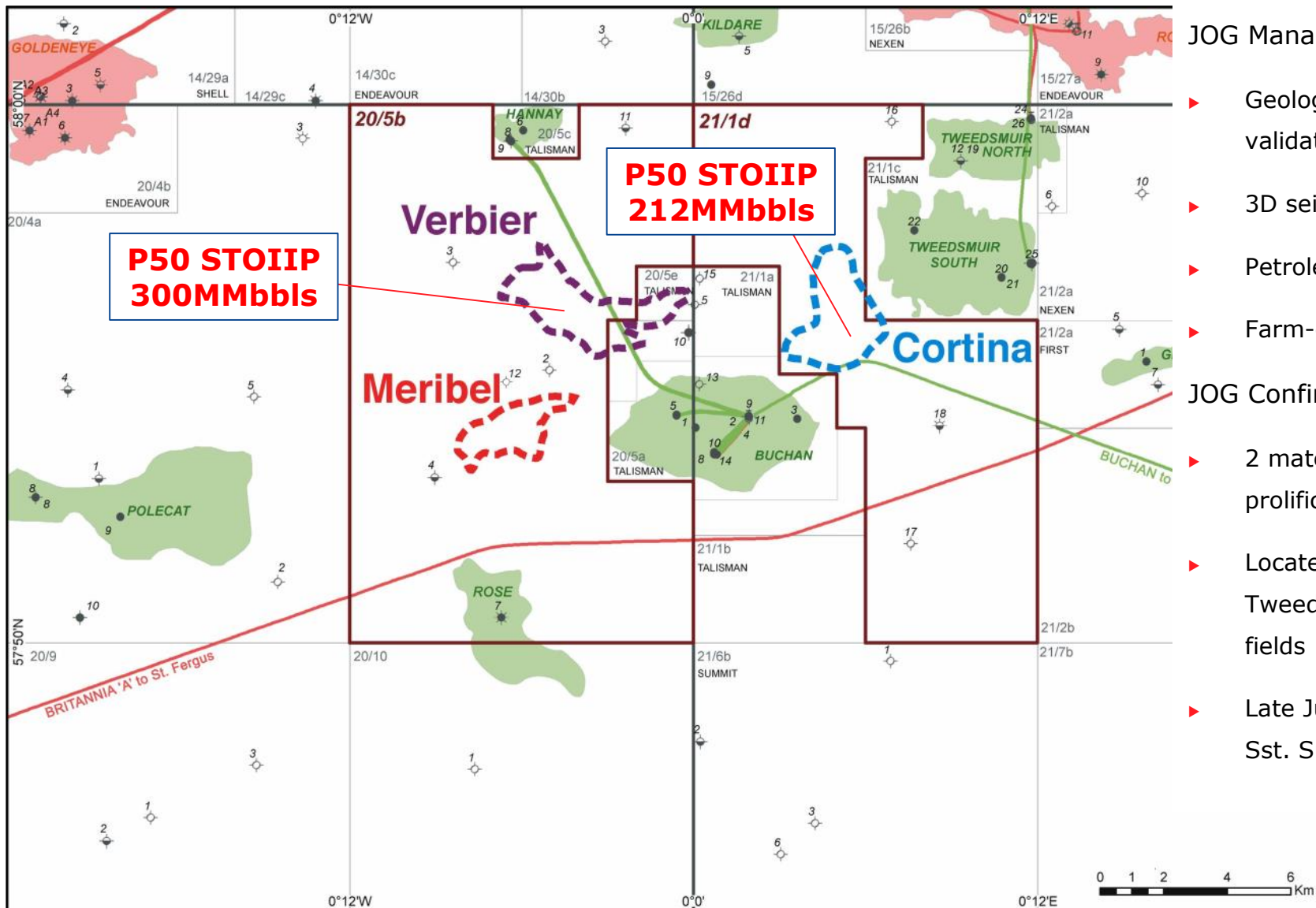
A High Potential, High Value
Farm-Out to Statoil

Licence P.2170



- ▶ JOG and CIECO have signed an SPA with Statoil
- ▶ Statoil to earn 70% WI and Operatorship, and the option to drill a well in 2017/2018
 - ▶ JOG to retain 18% WI
 - ▶ JOG continues to benefit from 10% carry from CIECO
- ▶ Entry fee \$2mm, 60% payable to JOG*
- ▶ Well cost carry to a cap of \$25mm
 - ▶ Carry Value to JOG of \$4.5m
- ▶ Exit fee of \$2.5mm in the event Statoil does not elect to drill the well



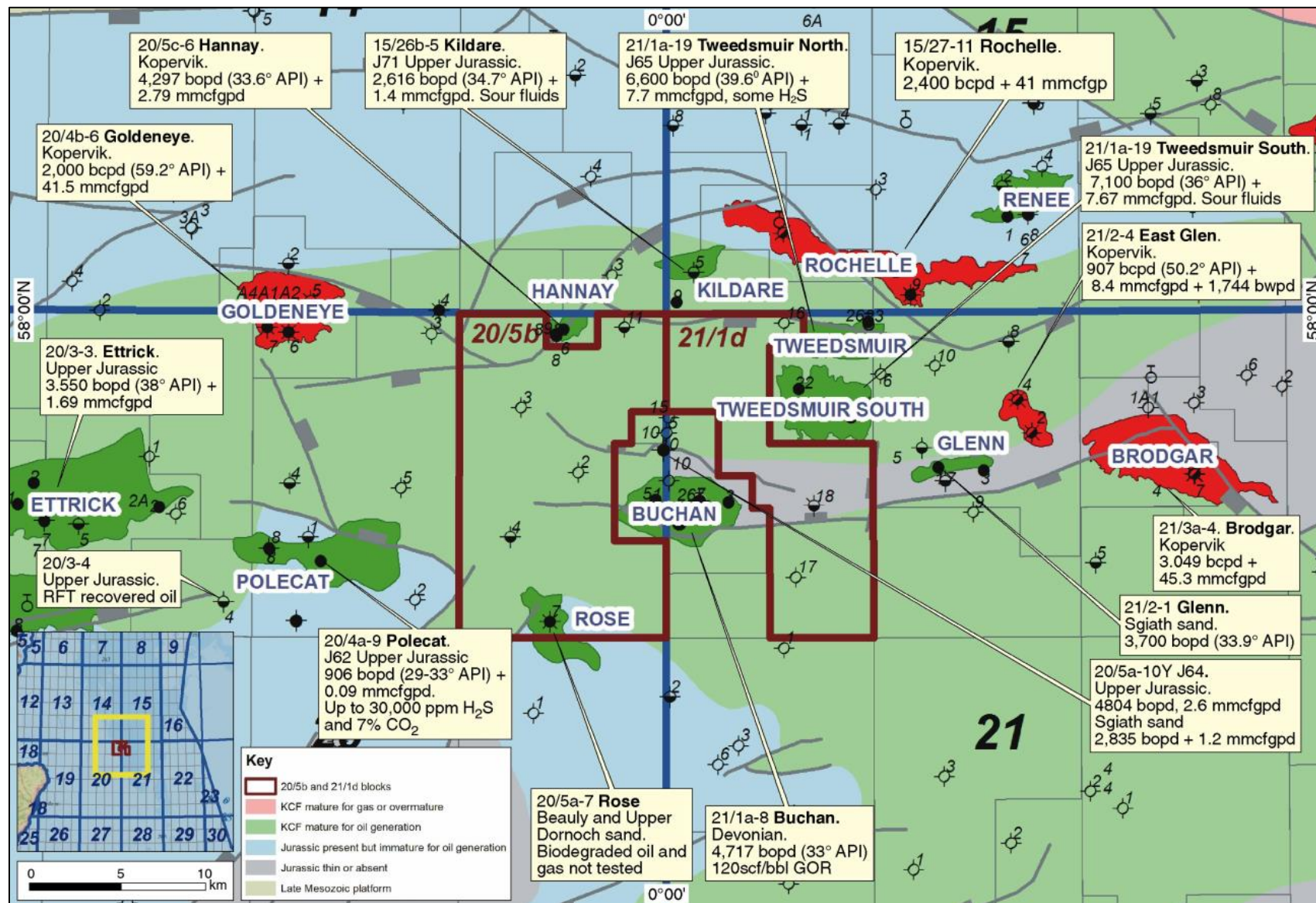


JOG Managed and Completed:

- ▶ Geological and Geophysical validation of prospectivity
- ▶ 3D seismic interpretation
- ▶ Petroleum charge modelling
- ▶ Farm-out process

JOG Confirmed:

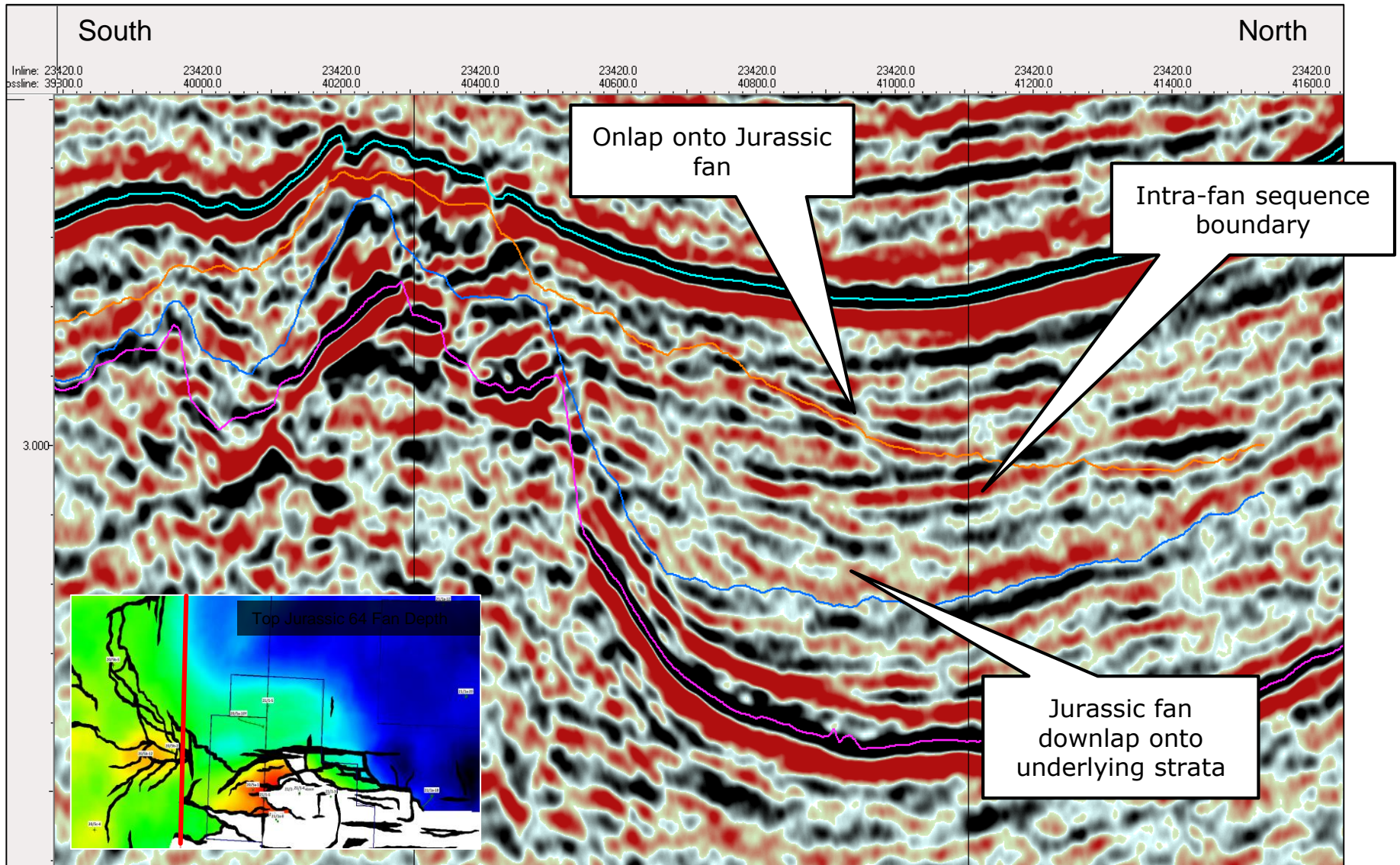
- ▶ 2 material prospects in prolific hydrocarbon fairway
- ▶ Located between Tweedsmuir and Buchan fields
- ▶ Late Jurassic (J64) Buzzard Sst. Submarine fans



Prospective Stratigraphy of the Late Jurassic

PERIOD	AGE / STAGE	STANDARD AMMONITE ZONE	BUZZARD AREA LITHOSTRATIGRAPHY	SEQUENCE STRATIGRAPHY <small>Partington et al (1993)</small>	KEY BIOSTRATIGRAPHIC MARKERS
JURASSIC	Valanginian	Early	VALHALL Fm.	K10	← <i>E. loyrum</i>
		Late	DEVILS HOLE SANDSTONE MEMBER		← <i>E. pharo</i> , <i>D. spinosum</i>
	Ryazanian	Early	BURN SANDSTONE MEMBER	J76	← <i>R. thula</i>
		Late		J74	
		Early		J73	
		Late		J72	← <i>E. Polyplacophorum</i> , <i>G. dimorphism</i>
	Portlandian	Early	ETTRICK SANDSTONE MEMBER	J71	← <i>Moderangia</i> sp A
		Late		J66	← <i>O. patulum</i>
		Early		J65	← <i>O. patulum</i> , <i>G. longicornis</i>
		Late		J64	← <i>P. pannosum</i>
	Kimmeridgian (sensu anglico)	Early	BUZZARD SANDSTONE MEMBER	J63	← <i>G. Jurassica</i> , <i>Lundium</i> , <i>G. cladophora</i> , <i>P. pannosum</i> , <i>G. Jurassica</i> (consistent)
		Late		J62	← <i>L. mirabile</i>
		Early		J56	← <i>G. Jurassica</i> , <i>O. patulum</i>
		Late		J54	← <i>S. crystallinum</i> , <i>E. galatrum</i> , <i>C. ornatum</i> , <i>N. jellucoda</i>
	Oxfordian	Early	HEATHER Fm.	J52	← <i>S. scopia</i>
		Late		J46	← <i>C. polonicum</i>
		Early			← <i>R. aemulum</i>
		Late			← <i>G. scarburghensis</i>
	Kimmeridgian (sensu gallico)	Early	SGIATH Fm.		
		Late			
		Early			
		Late			

- ▶ Stratigraphic re-interpretation of 12 wells
- ▶ Nomenclature not formalised
- ▶ Buzzard Sst. Package (J56-J65)
- ▶ Ettrick Sst. Package (J66-J73)
- ▶ Unconformity at base of J64
- ▶ Multiple sandstone units recognised:
 - ▶ Buzzard Sst J64
 - ▶ Buzzard Sst J65
 - ▶ Ettrick Sst J66
 - ▶ Ettrick Sst J71-72



- ▶ Extensive 3D seismic interpretation and technical studies undertaken by JOG have confirmed significant prospectivity
- ▶ Management's valuation analysis on a P50 gross recoverable resource of 117 MMbbls for the Verbier prospect indicates a potential gross NPV10 value of £435 mm
- ▶ JOG's management estimates a potential P50 net value to JOG of £78m or £9/share if the next phase of exploration is successful

	JOG Working Interest	Oil/Gas	STOIP	P50 Gross Resources MMbbl			Oil Price Assumption \$	Gross Field Value		Potential Value to JOG	
				Recoverable Resources	Chance of Success	Riskd Resources		NPV10 £m	Value/boe £	£M	Per Share (p/share)
Verbier Prospect	60%	Oil	300	117.3	26%	30.5	50	435.0	14.3	78.3	933

In the event of success, JOG estimates gross riskd NPV(10): £435mm (£78mm net)



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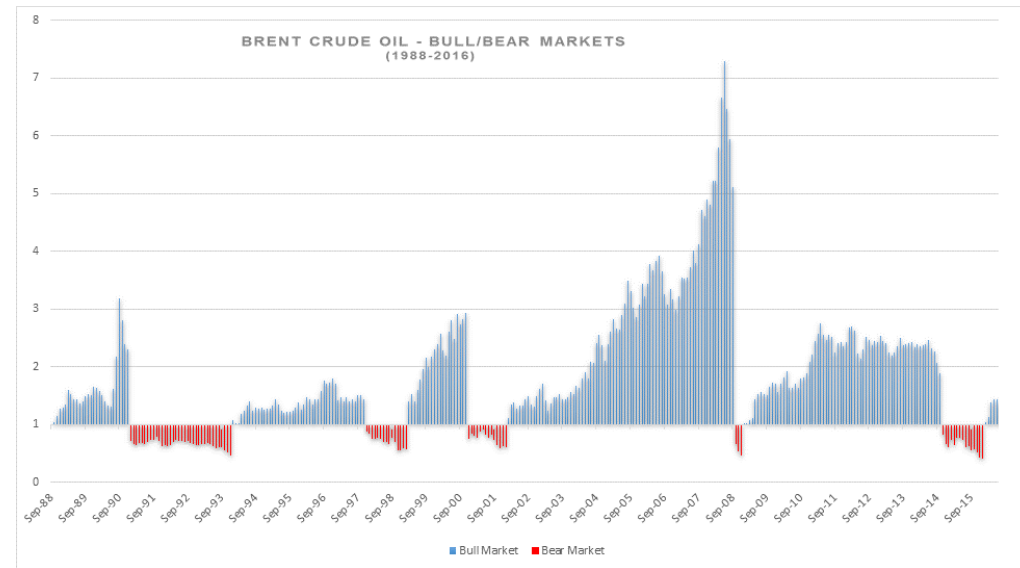
Production Strategy

Identification, Evaluation, Acquisition



- ▶ Geographically focused on UK producing oil and gas assets
- ▶ Mature oil and gas basin in a “Buyers Market”
 - ▶ Majors, Utilities and Large Independents rationalising their portfolios – plenty of opportunities
- ▶ Predominantly seeking non-operated interests
 - ▶ Low down-side risk
 - ▶ Low cost G&A
- ▶ Strong economic rationale
 - ▶ IRRs of 15%+
 - ▶ Healthy cash generation
 - ▶ Light leverage
 - ▶ Low OPEX
 - ▶ Conservative approach to decommissioning liabilities
 - ▶ Upside potential from increase in the oil price (graph)
 - ▶ Significant dividend potential in the medium term

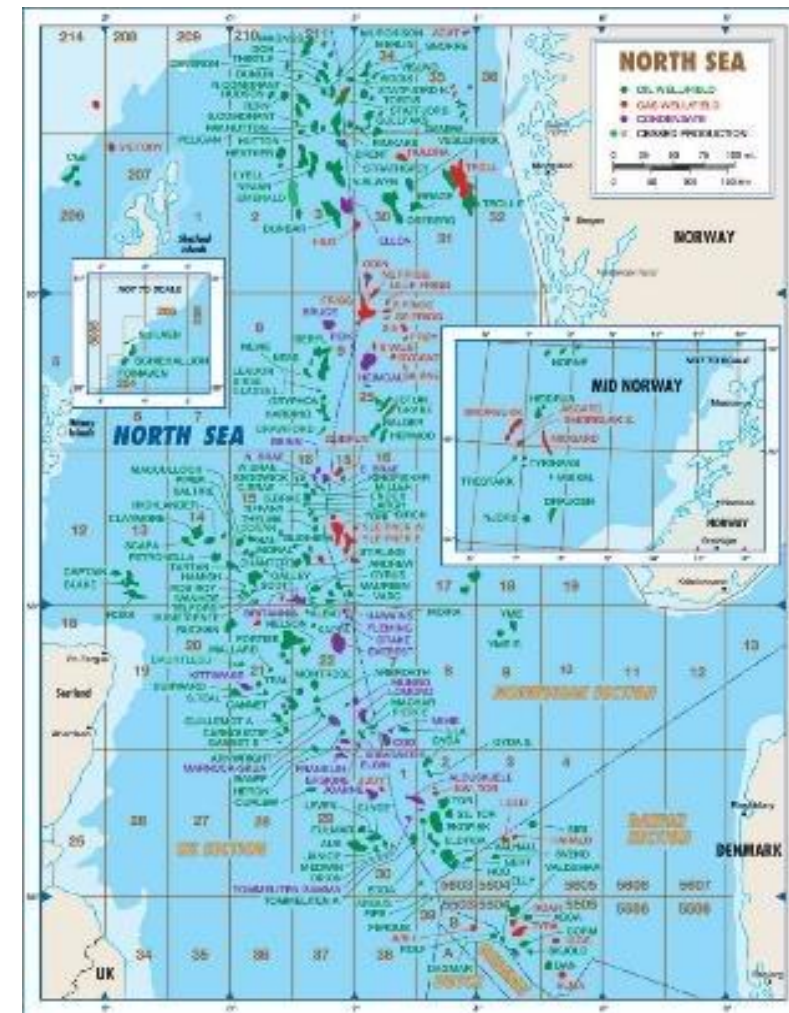
Has the Next Bull Market Begun?



Brent Crude Bull/Bear Markets Over Last 30 Years

Source: Bloomberg Brent Crude (ICE) Index from 1998-Present

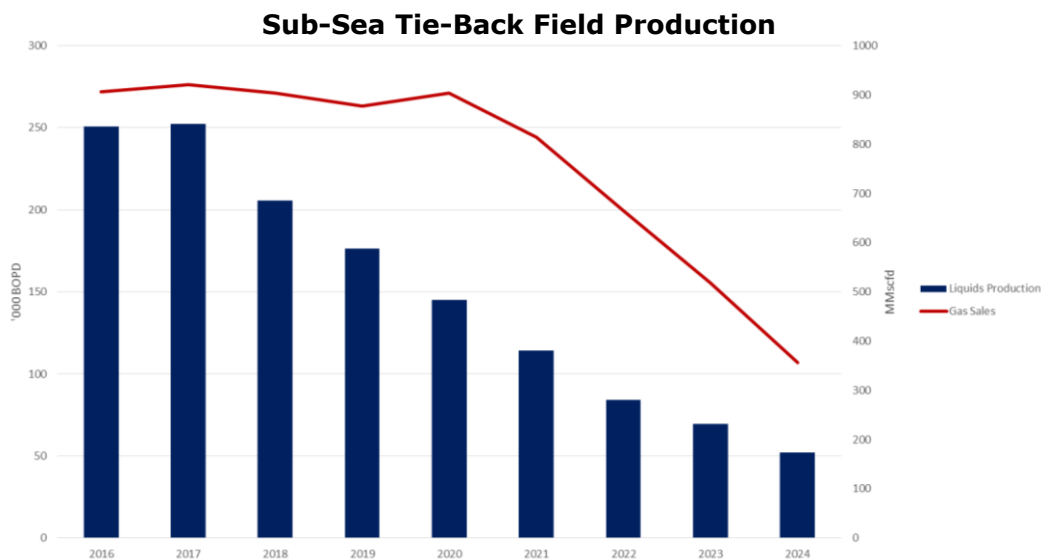
- ▶ A prolific province with 330 producing oil and gas fields
 - ▶ Long life, low cost fields
 - ▶ Field life extensions have been proven to be possible
 - ▶ Significant remaining recoverable reserves - estimates from 5-20bn barrels
- ▶ Low oil price periods drive costs down
 - ▶ Rig rates down as much as 75%
 - ▶ Average operating costs are down 30-40%
- ▶ Fiscal improvements with strong government support
 - ▶ Headline taxes have been slashed to 40% from a high of 81%
 - ▶ Clarity provided over decommissioning tax relief
 - ▶ OGA MER Programme to extend life of fields and infrastructure
- ▶ Heavy infrastructure already in place
- ▶ There is an active market in North Sea production assets
 - ▶ Excellent opportunities to acquire stable and increasing revenue streams
- ▶ North Sea production remains financeable through both equity and debt markets



Conclusion: The UKCS North Sea region has a robust and healthy future

UKCS Production Snapshot

- ▶ 330 producing oil and gas fields in the UKCS
- ▶ 2015 DECC production figures:
 - ▶ Offshore liquids – 0.93 MMbbls/day with 3.8 Bscf/d associated gas
 - ▶ Dry gas production – 3.5 Bscf/d
- ▶ 28 Operators; 63 oil and gas companies
- ▶ 273 installations in operation (*OGA Installation Update, December 2015*)



¹ Calculated using \$10/bbl for liquids and 37.7p/Therm price for gas

JOG selected fields of interest

Field Type	<i>Primarily sub-sea tie backs</i>
No. of Fields	43
Total Working Interests	148
Remaining Liquids	635 MMbbls
Remaining Gas	3,084 Bcf
Remaining Oil Equivalent	1,179 MMBOE
Production	250,000 bopd
Remaining Liquids Value¹	6.35 US\$Bn
Remaining Gas Value¹	8.47 US\$Bn
Total Value	14.82 US\$Bn



JOG Production Target

- ▶ Working Interests in 6-10 Producing Fields
- ▶ 10,000bopd net production
- ▶ Reserves target of 15-20MMbbls

- ▶ JOG has built an excellent working knowledge of the UKCS complemented by decades of management experience within the North Sea region
- ▶ JOG is active on most of the UKCS sales processes and actively pursuing off-market deals
 - ▶ Active in 14 sales processes involving more than 40 field interests
 - ▶ Strong pipeline of asset opportunities
- ▶ We have screened, evaluated and bid on a number of opportunities and worked alongside significant financial partners that are comfortable with how we operate professionally
- ▶ As a 'clean' vehicle with an experienced industry management team, JOG represents an attractive proposition for those seeking exposure to UKCS production assets
- ▶ We believe it is a very opportune time to be pursuing a production-led acquisition strategy within the UKCS

- ▶ JOG team has delivered:
 - ▶ Licence P.2170– High Impact Farm-Out to Statoil, with cash receipt and well carry
 - ▶ Good Potential to add significant shareholder value with successful drilling
 - ▶ Licence P.1989 - Future conditional payments of up to \$4mm following sale to Azinor Catalyst

- ▶ We have a Clear Strategy to build long-term shareholder value
 - ▶ UKCS North Sea production focused oil and gas company
 - ▶ £24m of attractive tax losses available
 - ▶ Key management have significant shareholdings (17.2%)
 - ▶ Aligned with all shareholders
 - ▶ Indicative bank funding support
 - ▶ Debt free with no material liabilities
 - ▶ Operating under a low G&A environment