



# UK Oil & Gas PLC

October 10 2018

## Horse Hill's Kimmeridge test rates impress, UKOG shares rise

The latest results coming out of the Horse Hill production test have exceeded those seen in the previous tests back in.

UK Oil & Gas Plc (LON:UKOG), the largest UK listed stakeholder in the project, has revealed that the first Kimmeridge test has seen oil flow continuously and naturally from the KL3 zone to surface over the past 50 hours.

Moreover, the flow of oil was measured at rates between 563 and 771 barrels of oil per day over the past 24 hours. At the same time, gas rates measured at 186 thousand cubic feet per day via an enclosed flare.

READ: Balcombe and Horse Hill: What's next for the UK's new oil play? The 2018 test rates to date compare very favourably to the 464 bopd rate recorded for the same Kimmeridge section two years ago.

Also, UKOG said that pressure data indicates that the KL3 zone and the overlying KL4 zone comprise one single connected oil pool, with an implied minimum vertical extent of 358 feet.

Four tankers carrying crude produced in the Kimmeridge test have been transported to the Fawley refinery.

The company added that no formation water has been recorded, and although it noted that water from well completion continues to be recovered as the well continues to proceed through the 'clean up' phase.

The Horse Hill production test programme continues. The first 24-hour pressure build up (PBU) test is now underway. It will be followed by further operations including additional clean-up, flow stabilization, oil sampling, and more PBUs.

After that, the programme will move on to test production from KL4 where, in 2016, a rate equivalent to 901 bopd was measured over a four hour period.

UKOG chief executive Stephen Sanderson, in a statement, said: "I am delighted to have witnessed first-hand the resumption of significant continuous and sustained oil flow from the Kimmeridge at Horse Hill.

"Whilst it has been a long wait since the successful 2016 flow tests, it has been made more momentous by the Kimmeridge's significantly increased performance and productivity."

He added: "The directors consider that these positive KL3 test results now make it increasingly likely that both the Kimmeridge and Portland oil pools are set to make Horse Hill one of the UK's leading onshore producing oil fields. Permanent production at Horse Hill is targeted in 2019."

UKOG has a 46.735% indirect interest in the Horse Hill project, via a shareholding in HHDL with in turn owns 65% of

**Price:** 0.975p

**Market Cap:** 5

### Share Information

**Code:** UKOG

**Listing:** AIM

<b>52 week</b>	<b>High</b>	<b>Low</b>
	<b>2.633p</b>	<b>0.9p</b>

**Sector:** Energy

**Website:** [www.ukogplc.com](http://www.ukogplc.com)

### Company Synopsis:

*UK Oil & Gas Investments PLC (UKOG) is specifically focused on seeking investments in the domestic conventional oil and gas sector in the UK. UKOG has no interest in the latest fad of fracking for shale gas. UK Oil & Gas Investments is traded in the ISDX Exchange HERE.*

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the asset. Solo Oil PLC (LON:SOLO) retains an interest in the project, via its shareholding in UKOG, following its recent divestment deal.

Meanwhile, Alba Minerals Plc (LON:ALBA) has an 18.1% stake in HHDL.

Alba chief executive George Frangeskides, in a separate statement, said: "Whilst these are early results from the KL3 EWT sequence, with the well still 'cleaning-up', the rates achieved so far in the Kimmeridge limestones are highly encouraging.

"We look forward to the results of the remainder of the KL3 and KL4 test programme, and look forward also to learning of the operator's go forward plans for the field development of the Portland sandstone and Kimmeridge limestone reservoirs at Horse Hill."

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