

18 June 2018

## HAGUE AND LONDON OIL PLC

("HALO", "the Company")

### OPERATIONAL UPDATE

Hague and London Oil Plc, the oil and gas company with a diverse portfolio of production, development, appraisal and exploration assets primarily focused in the Southern North Sea, is pleased to announce an operational update and the posting of its annual report for the year ended 31 December 2017 (available from the HALO website: [www.haloil.co.uk](http://www.haloil.co.uk)).

#### Corporate and Financial Highlights

- The new three well L13-FI platform development, part of the JDA, is on stream already, ahead of schedule for commissioning and under budget. It is expected to be at full production in early 3Q18 ahead of previous plans for 4Q18 and significantly under budget versus the FID plans.
- The new L13-FI development will be a material addition to the portfolio and demonstrates the low-risk, cost-effective growth potential of HALO's Southern North Sea assets.
- Dutch Gas TTF pricing has been extremely strong so far in 2018 with a "spot" price of €16.09/Mwh when HALO announced the Netherlands Acquisition versus €17.34/Mwh at the closing of the transaction and now a current TTF price of €22/Mwh.
- The Dutch Assets produced an average of 2,680boepd, net to the interests acquired, in 2017, making HALO a significant producer of natural gas, and some condensate, in the Southern North Sea.
- Strong gas pricing and cost reductions have translated into increased revenue as well as HALO's inaugural operating profit achieved in 2017, translating into improved cash flow with the Company's relatively low overheads and limited capital expenditures for the remainder of the year.
- As the Netherlands Acquisition completed in November 2017, the results of the acquired entities were only included in the Group results for the period from November to December 2017, producing a contribution to Group profit of £0.69m. If a full year's results had been included, the Group would have reported revenues of £27.13m and profits of £6.87m from the acquired group companies.
- Year-end 2017 cash balances of £3.77m (2016 - £0.05m) with existing cash balances, in conjunction with projected cash inflows from the production assets, expected to be sufficient to fund all commitments with a surplus for new ventures.

## **Potential New Acquisition**

- As stated previously, the Company has sought to continue on its current growth trajectory inclusive of other potential acquisitions which fit within the strategic objectives, as described, and/or being complementary to the existing portfolio.
- Heads of agreement (“HoA”) have recently been signed by HALO and another party regarding a potentially material and accretive acquisition (“Potential Acquisition”) of a significant UK North Sea development, appraisal & exploration portfolio. The Company would likely seek Shareholder approval of the acquisition when, and if, Definitive Agreements (the Agreements) are executed.
- If these HoA are finalised, and the Potential Acquisition subsequently closes, after the execution of the Agreements then HALO would have diversified its portfolio, significantly increased its resources base and widened its strategic “foot-print” in the North Sea. However, there is no guarantee that these Agreements will be agreed, executed and/or that the Potential Acquisition will close.

## **Relisting and Secondary Market Trading**

- As part of the Netherlands Transaction, the Company de-listed from the Alternative Investment Market (AIM) in September 2017 in order to be able to complete the transaction in the timeliest and most cost-efficient manner. The current plan is for re-admission of its shares (“Re-Listing”) at the earliest opportunity; more details will be provided once there is more clarity concerning the outcome of the Potential Acquisition and its impact on the re-listing process.
- In anticipation of the Re-Listing process the company has commissioned an updated competent person report (“CPR”) within AIM standards for the period covering January 1<sup>st</sup>, 2017 through March 31<sup>st</sup>, 2018; key aspects of the CPR will be released once complete and the full document will be used for the Re-Admission documents.
- HALO is planning a Secondary Market Trading Facility that would be in place during the cancellation of the admission to trading on AIM of its ordinary shares (the “Delisting”) in the event that the Re-Listing is further delayed due to the Potential Acquisition, market conditions or other corporate events.
- Once, and if needed, this Secondary Market Trading Facility is established for HALO shares, the Company will announce the details as well as publish directions on the corporate website.

**Andrew Cochran, HALO's Chairman and Interim CEO, commented:**

"The past year has been truly transformative for Hague and London Oil and the current year has started off very well for the Company. As we have stated previously it was our intent to reposition the company toward lower risk projects in low risk jurisdictions and fund the Company responsibly. We firmly believe that this was achieved with the Netherlands Acquisition and the funding by ENGIE which have been further justified through significantly improved gas prices and better than expected cost reductions. HALO now has a solid foundation to build upon and the Company is very active in material new ventures, which could further support the investment thesis and increase shareholder value. We wish to thank our staff and stakeholders for their support and patience through these very significant and most positive developments for HALO. The Company has a new path and a bright future."

Glossary

2P proven and probable oil reserves

Boepd barrel of oil equivalent production per day

Mwh megawatt hours

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**Notes to Editors**

Hague and London Oil is an oil and gas company primarily focussed on the Southern North Sea, with a diverse portfolio of offshore and onshore producing, development and exploration assets. The Company has 2P reserves in excess of 10 mmboe, more than 20 mmboe in contingent resource with interests in 17 different licenses offshore Netherlands as well as associated pipelines and infrastructure. On 10 November 2017, HALO completed the acquisition of Tullow 101 Netherlands B.V., comprising a portfolio of exploration and production licences in the Southern North Sea. The acquisition was financed by a structured offtake and finance facility of €6.0m provided by Engie Energy Management SCRL ("ENGIE").

This announcement contains inside information for the purposes of article 7 of Regulation 596/2014