



# Corporate Presentation

June 2021



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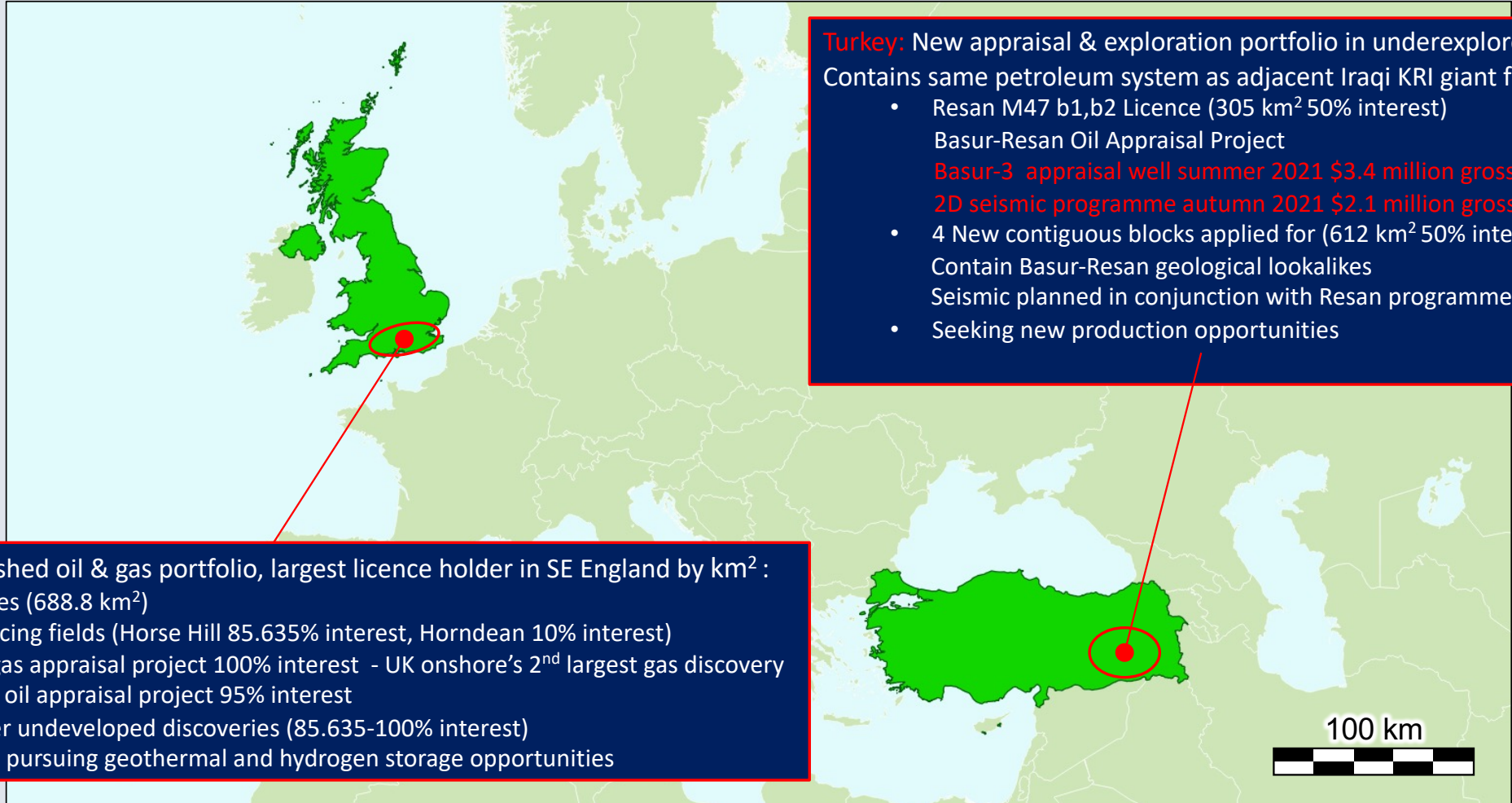
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# UKOG: An Expanding International Energy Company



**Turkey:** New appraisal & exploration portfolio in underexplored area. Contains same petroleum system as adjacent Iraqi KRI giant fields:

- Resan M47 b1,b2 Licence (305 km<sup>2</sup> 50% interest)  
Basur-Resan Oil Appraisal Project  
Basur-3 appraisal well summer 2021 \$3.4 million gross  
2D seismic programme autumn 2021 \$2.1 million gross
- 4 New contiguous blocks applied for (612 km<sup>2</sup> 50% interest)  
Contain Basur-Resan geological lookalikes  
Seismic planned in conjunction with Resan programme 2021
- Seeking new production opportunities

**UK:** Established oil & gas portfolio, largest licence holder in SE England by km<sup>2</sup> :

- 6 licences (688.8 km<sup>2</sup>)
- 2 producing fields (Horse Hill 85.635% interest, Horndean 10% interest)
- Loxley gas appraisal project 100% interest - UK onshore's 2<sup>nd</sup> largest gas discovery
- Arreton oil appraisal project 95% interest
- 2 further undeveloped discoveries (85.635-100% interest)
- Actively pursuing geothermal and hydrogen storage opportunities

**“We remain committed to growing our core UK business, but this was an irresistible opportunity to expand our horizons and to expose the company to potentially transformational recoverable oil reserves that can be rapidly monetised. The quality of the geological address and opportunity is undeniable.”**

**Stephen Sanderson, Chief Executive, RNS July 23<sup>rd</sup> 2020**

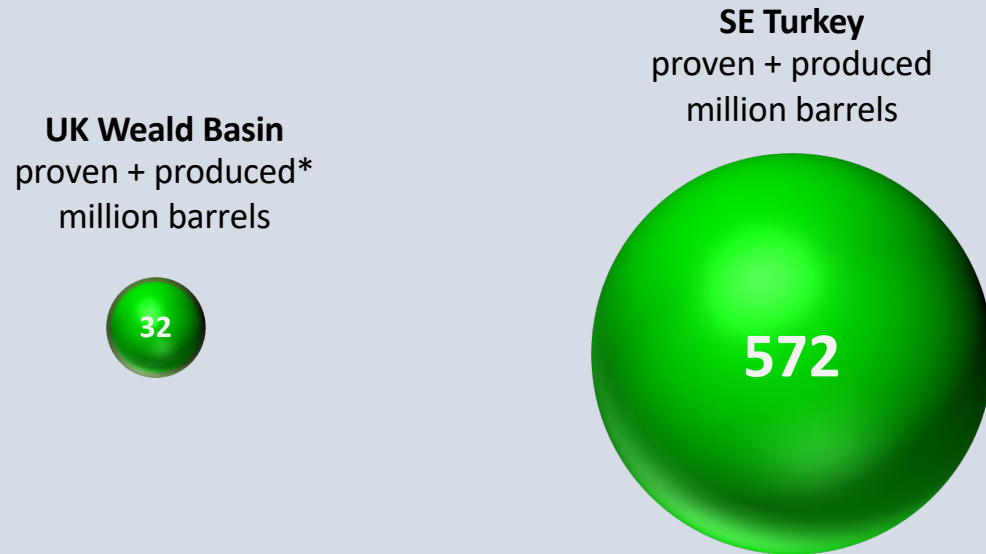
# Why is 2021 operational focus squarely on Turkey Basur-Resan?



- **Larger upside potential than UK onshore - equivalent probability of success**
- **Rapid monetisation, months versus around 5 years in UK**
- **Low-cost drilling and operating cost environment vs. UK**
- **Further significant growth opportunities via new ground-floor licence applications**
  - Area southeast of Resan has multiple Basur-Resan/East Sadak/Iraqi Kurdistan geological lookalikes but scantily explored with almost no seismic coverage and few wells.
- **Credible and successful Turkish partner/operator**
  - AME have 60-year in-country success history. Possess key strategic knowledge as operator of producing lookalike field, East Sadak.

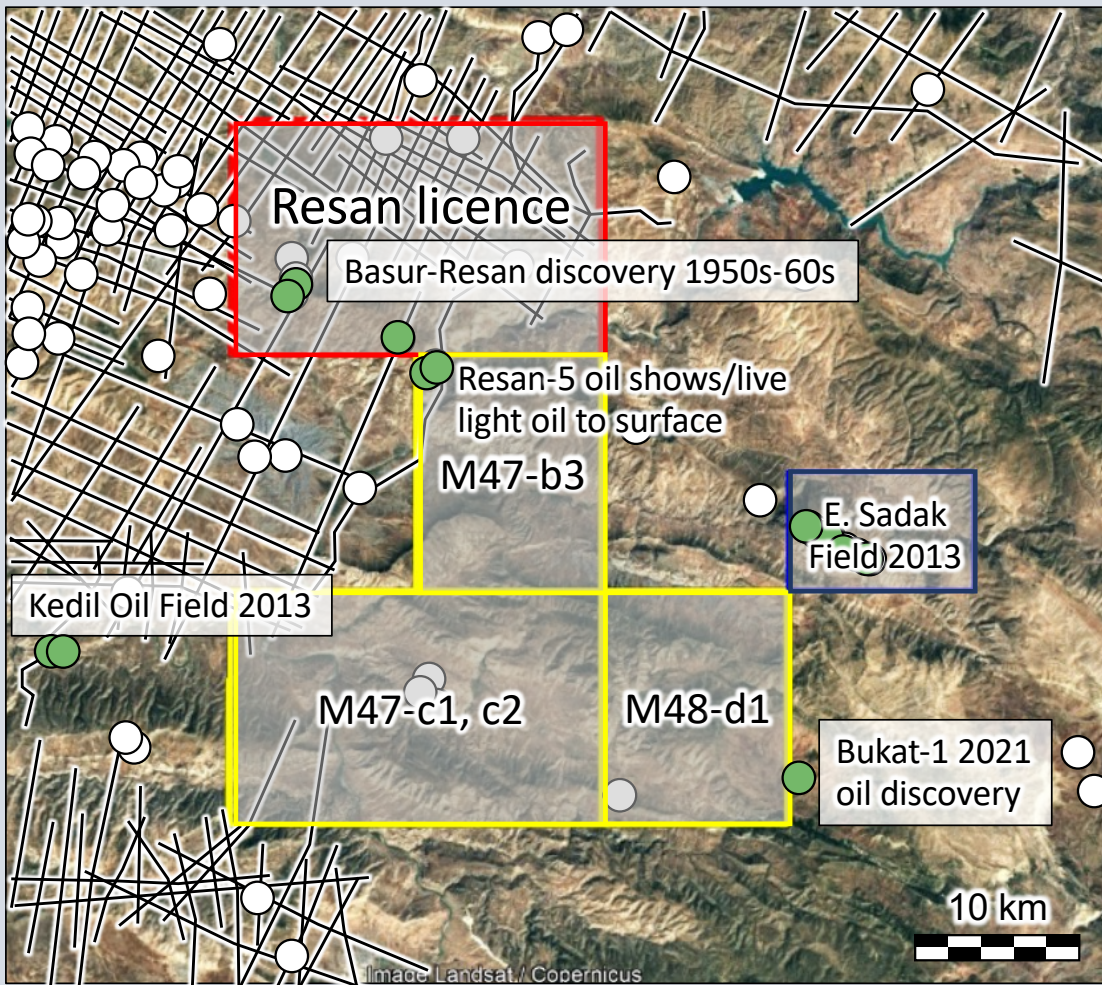
# SE Turkey : A far more prolific oil province than UK Weald Basin

- **SE Turkey has 18 times more produced & proven oil than the entire UK Weald Basin (572 mmbbl vs. 32 mmbbl)**
- The area between Resan and the giant Kurdistan Region of Iraq oil fields remains largely unexplored
- SE Turkey has significant upside potential, hence the Resan farmin & our new licence application

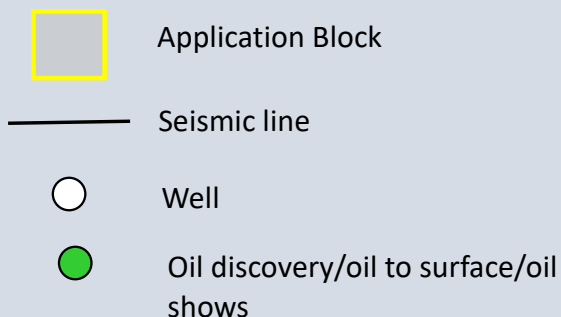




# UKOG Turkey active in area overlooked for 50 years

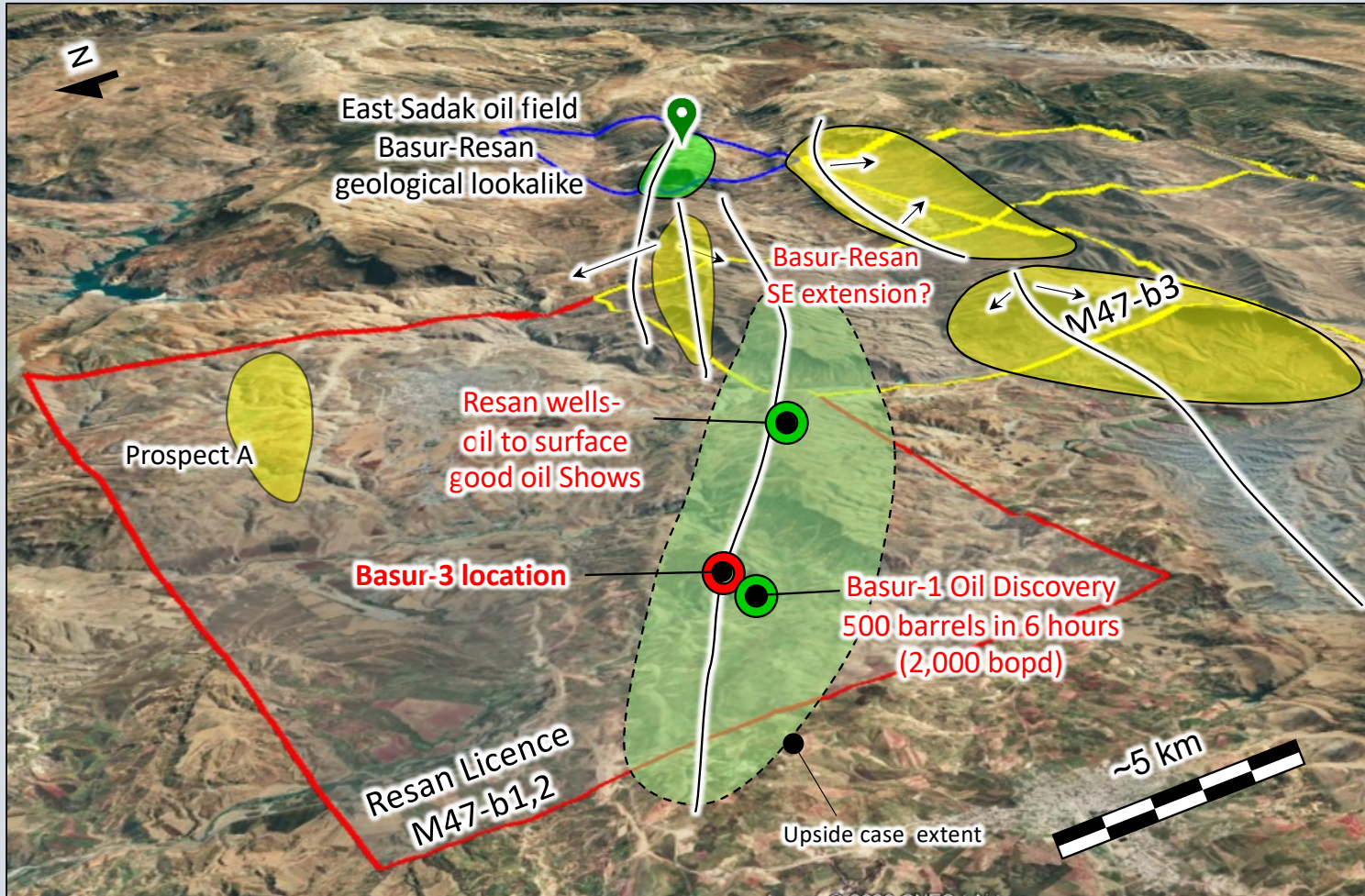


- 1950s-60s Basur discovery well, 2 wells in SE of Basur-Resan structure with good oil indications and oil to surface
- 1960s-2013, 3 wells in remaining 600 km<sup>2</sup> in 50 years, no useful seismic coverage over application area
- Area overlooked until AME's 2013 success at East Sadak plus Kedil in 2013, where fractured Cretaceous Mardin limestones proven commercial. Scout info on Bukat-1 indicates it brought live oil to surface from the Mardin.
- New Licence applications UKOG 50% / AME 50% (Operator)- ground-floor i.e., no promote, UKOG pays working interest share





# Resan Licence: Basur-Resan oil discovery



- Basur-Resan is a significant asymmetric anticline with surface expression confirmed by seismic. Maximum extent c. 70 km<sup>2</sup>. Updip from lookalike E. Sadak producing field
- Basur-1 flowed 500 bbl in 6 hours (i.e. equivalent to 2,000 bopd). Resan wells with good oil shows at similar depths, Resan-5 recovered light oil to surface
- Possible extension to SE in new application block M47-b3



Resan Licence



Application Block



Axis of surface geological feature (anticline)



Oil field or discovery



Prospective geological feature (surface anticline)

# Prize bigger than UKOG's UK appraisal projects

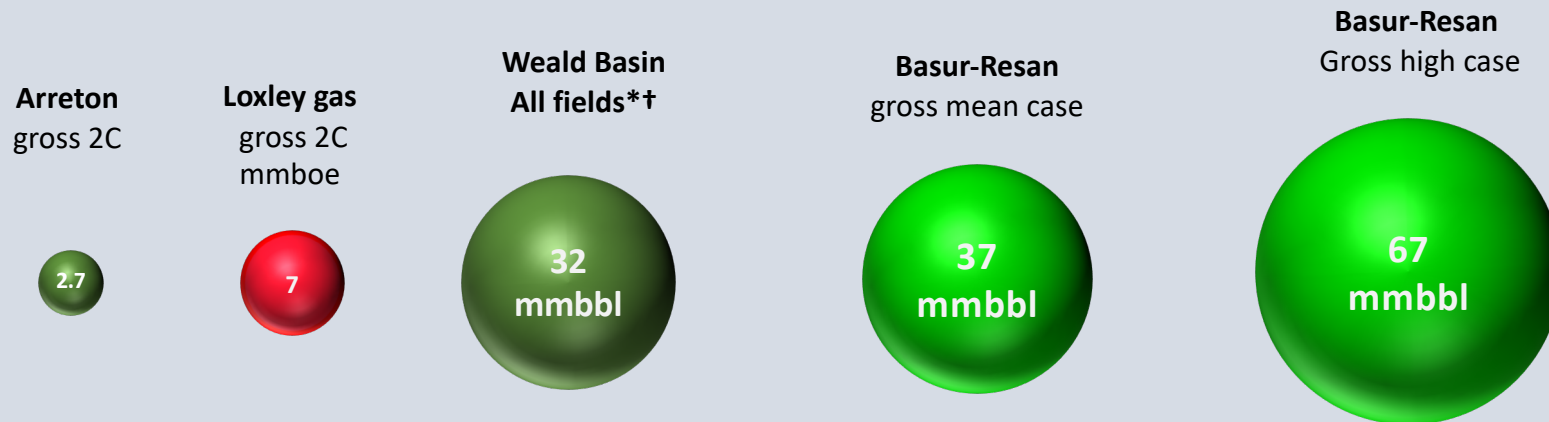
- **Xodus' Basur-Resan discovered gross mean recoverable volumes exceed all Weald's historic production + reserves**
- **Oil in ground demonstrated by Basur & Resan wells - need to establish commercial rates and volumes**

## Gross mean case:

- 1.2 times larger than total Weald Basin produced + reserves
- 15 times larger than UKOG's Arreton Portland mean case
- 5 times larger than Loxley's mean case in oil equivalent terms

## Gross high case:

- 2.1 times larger than total Weald Basin produced + reserves
- 9 times larger than UKOG's Arreton Portland high case
- 6 times larger than Loxley's high case in oil equivalent terms



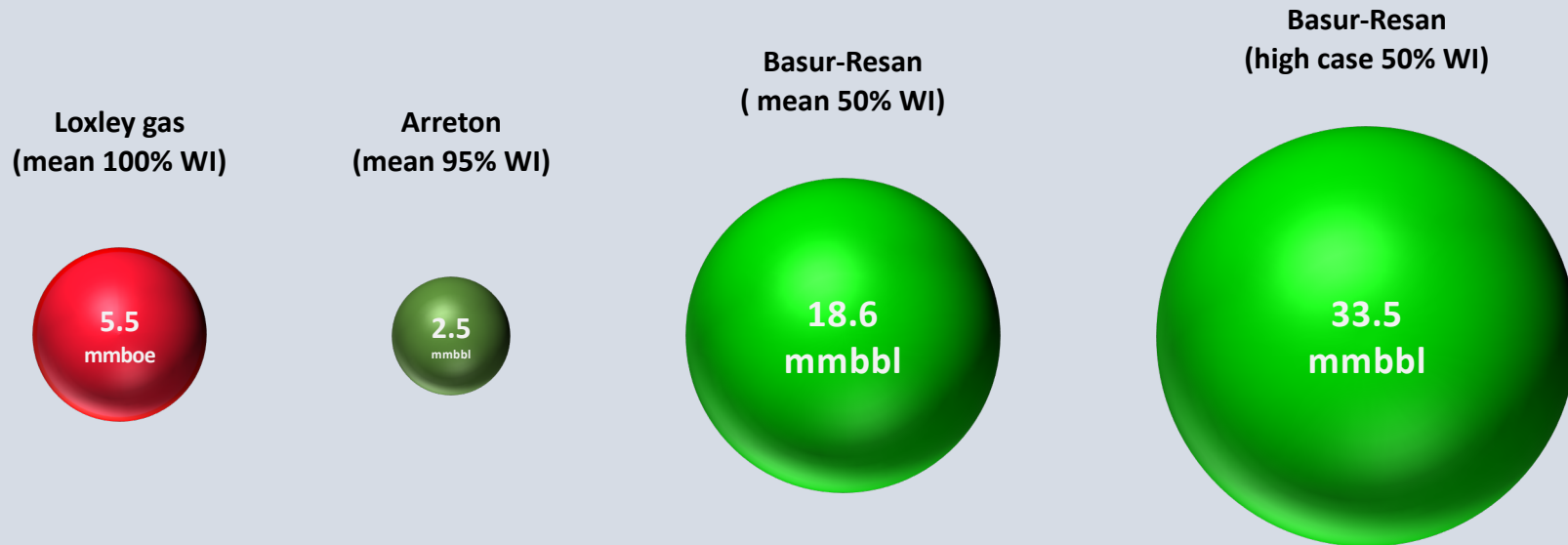
Note: \* UKOG has interests in 3 Weald Basin producing oil fields which contribute towards the stated volume † Total historic oil production plus remaining 2P reserves

Source: UKOG 2018 CPR; Xodus report 6/2020, 8/2020; OGA website, IGas CPR 2019.

# UKOG projects: net discovered recoverable volumes

**Basur-Resan UKOG net discovered mean case oil volumes are materially larger than UKOG's Weald Basin projects:**

- Over 7 times larger than Arreton Portland
- Over 3 times larger than Loxley Portland (oil equivalent)



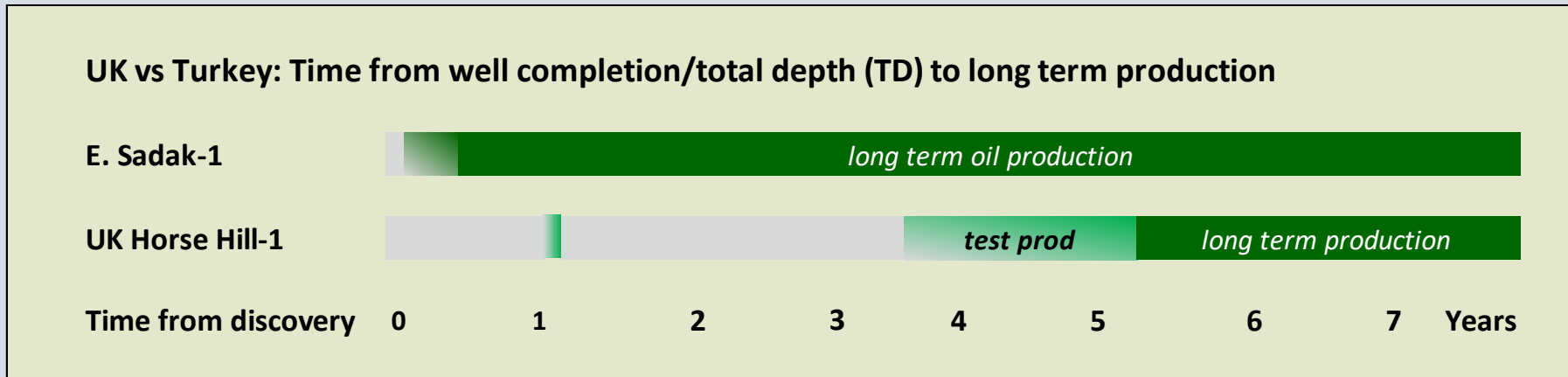
Source: UKOG CPR, 2018; Xodus report 6/2020; Xodus report 8/2020.

# Rapid monetisation in under 1 year possible



- **Rapid monetisation, months versus years in UK**

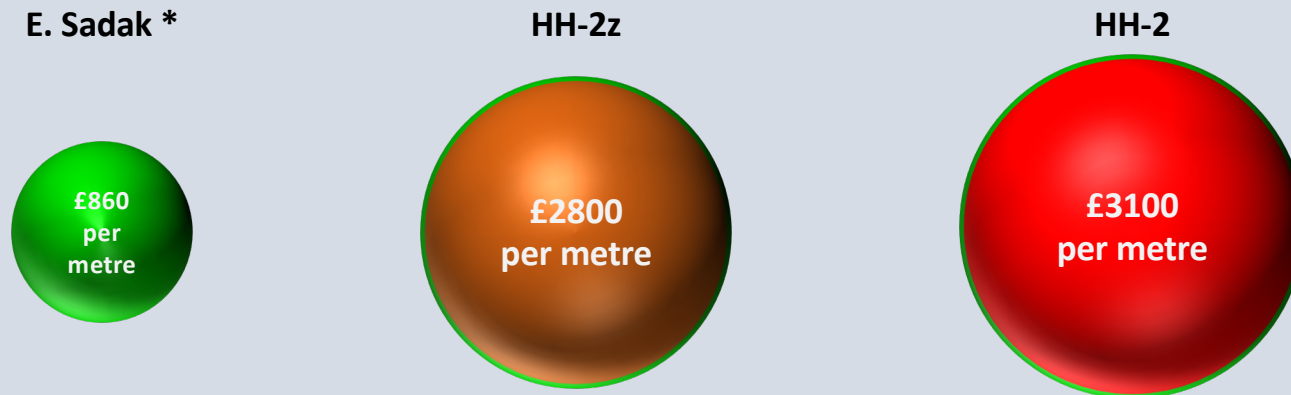
- **UK 4-5 year wait to long term production erodes ~40% of project net present value**
- **AME's E. Sadak field in production within 1 month of well finish, official production consent in 7 months**
- Right to produce enshrined in Turkish Petroleum Law (Article 6 (10))
- No lengthy planning or regulatory permission hurdles after commerciality established
- Turkish refineries must purchase all produced crude at market price - enshrined in Petroleum Law
- Export via road to Batman refinery - approximately same distance as Horse Hill to Perenco Hamble



- **Lower cost environment versus UK**

- Drilling cost based upon AME E. Sadak field costs is approx. 1/3 of the per metre cost of UKOG's UK wells
- Basur-3 appraisal well AME cost estimate \$3 million drilled & tested
- Lower export, manpower and service costs
- Field operating cost including export & marketing estimated by AME at \$15/bbl
- **Lower costs maximise net UKOG revenues**

## Drilling cost comparison £/metre

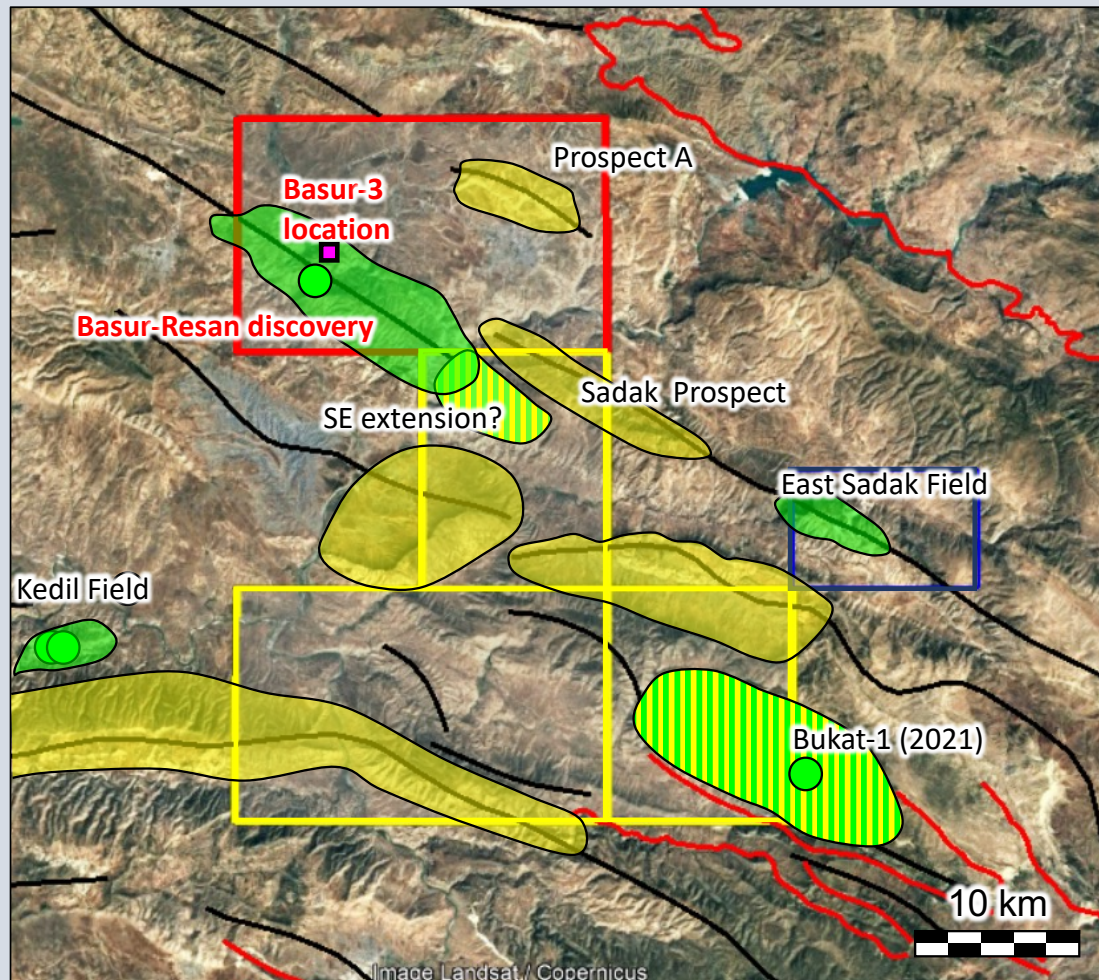




Basur-3 Site Completed- Drilling planned end June 2021



# Further growth potential in adjacent underexplored area



- New Licence application contains SE extremity of Basur-Resan oil accumulation (light green) plus possible further extension (yellow) to SE on geological trend.
- Recent Bukat-1 understood to have brought oil to surface from same reservoir formation as E. Sadak. Bukat geological feature (anticline) extends into application block
- Further undrilled surface geological features (yellow) identified from satellite and surface geological mapping. Geologically similar to UKOG's Basur-Resan discovery, AME producing E. Sadak field and small Kedil field.

