



Why SE Turkey & Basur-Resan makes sense for UKOG's future growth

January 20 2021



Disclaimer



This presentation and any additional documents handed out at any meeting (together the “Presentation Materials”) have not been approved by (i) the London Stock Exchange plc or by any authority which could be a competent authority for the purposes of the Prospectus Directive (Directive 2003/71/EC); or (ii) an authorised person within the meaning of the Financial Services and Markets Act 2000 (“FSMA”). The Presentation Materials are being supplied to you for information purposes only by UK Oil & Gas Plc (the “Company” or “UKOG”). References to the Company, or UKOG will also be deemed to include its subsidiaries, both directly and indirectly held (including through nominees) all wholly owned. These Presentation Materials have been prepared by and are the sole responsibility of the Company. The Directors of the Company have taken all reasonable care to ensure that the facts stated herein are true to the best of their knowledge, information and belief. Investing in the Company may expose an individual to significant risk of losing all of the property or other assets invested.

These Presentation Materials do not constitute, or form part of, a prospectus relating to the Company, nor do they constitute or contain any invitation or offer to any person to subscribe for, purchase or otherwise acquire any shares in the Company or advise persons to do so in any jurisdiction, nor shall it, or any part of it form the basis of or be relied on in connection with any contract or as any inducement to enter into a contract or commitment with the Company. No reliance may be placed for any purpose whatsoever on the information or opinions contained in the Presentation Materials or on their completeness. No representation or warranty, express or implied, is given by the Company as to the accuracy of the information or opinions contained in the Presentation Materials, or any further written or oral information made available to you or your advisors, and is subject to updating, completion, revision, amendment or verification, which may result in material changes. The information contained in these Presentation Materials has not been independently verified. By attending the presentation and/or retaining these Presentation Materials you will be taken to have represented, warranted and undertaken that:

(i) you are a Relevant Person (ii) you have read and agree to comply with the contents and restrictions of this disclaimer (iii) you will use the information in these Presentation Materials solely for evaluating your possible interest in acquiring securities of the Company and (iv) you will conduct your own analysis or other verification of the data and information set out in these Presentation Materials and will bear the responsibility for all or any costs incurred in doing so.

Any recipient of these Presentation Materials who is in any doubt about the investment to which this presentation relates should consult an authorised person specialising in advising on investments of this kind. These Presentation Materials do not constitute a recommendation regarding the shares of the Company, and should not be construed as legal, business, tax or investment advice. Prospective investors are encouraged to obtain separate and independent verification of information and opinions contained in the Presentation Materials as part of their own due diligence.

Disclaimer (cont.)

Neither the Company, nor its advisers accept liability whatsoever for any loss howsoever arising, directly or indirectly, from use of these Presentation Materials or their contents or otherwise arising in connection therewith. The Company, in its sole discretion, reserves the right to amend or supplement these Presentation Materials at any time. The Company also reserves the right, in its sole discretion, to terminate discussions with any person at any time. The reproduction, copying or distribution of these Presentation Materials in other jurisdictions may be restricted by law.

These Presentation Materials are not for distribution outside the United Kingdom directly or indirectly, by any means (including electronic transmission) either to persons with addresses in Canada, Australia, Japan, the Republic of South Africa or the Republic of Ireland, or to any citizens, nationals or residents thereof, or to any corporation, partnership or other entity created or organized under the laws thereof. Any failure to comply with these restrictions may constitute a violation of the laws of any such other jurisdictions.

These Presentation Materials contain certain forward-looking information about the Company which are statements, beliefs, opinions or projections that are not historical facts, and which may be identified by the use of terminology such as “proposes,” “may,” “believes,” “anticipates,” “projects,” “expects,” “estimates” or “forecasts” or comparable terminology and which reflect the Company’s or, as appropriate, the Company’s Directors current expectations and beliefs about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed in such statements, beliefs and opinions depending on a variety of factors.

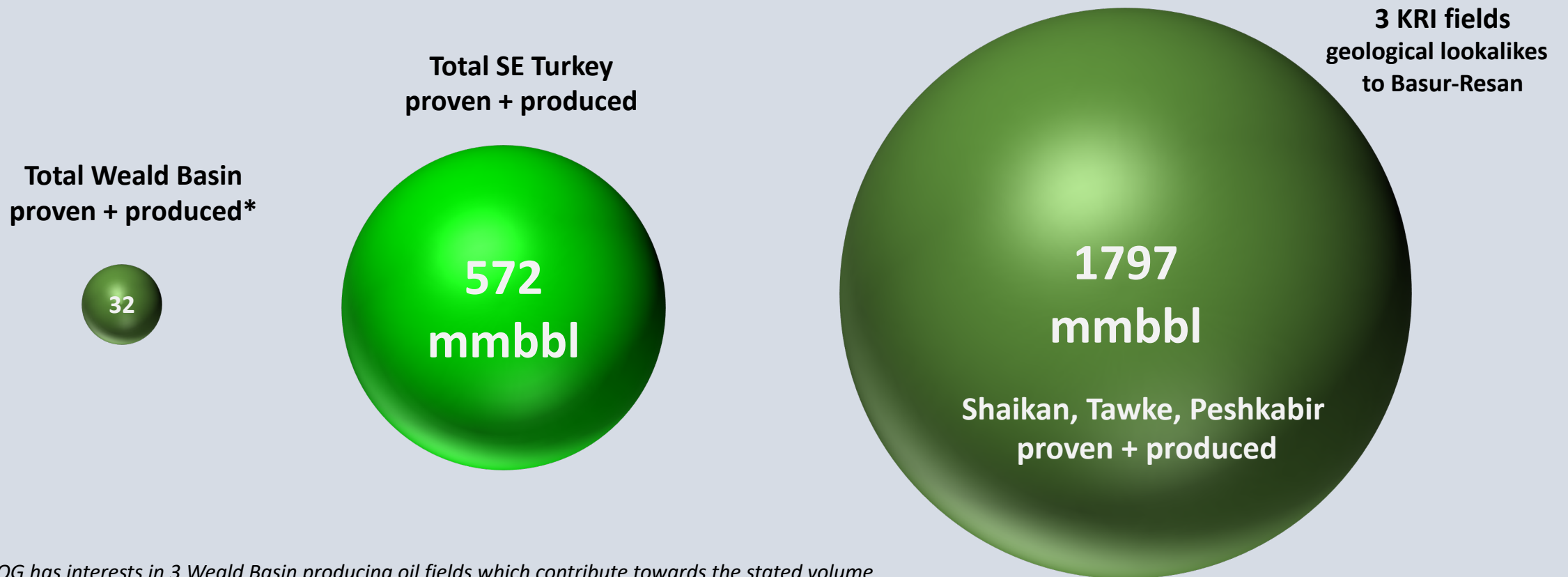
Past performance, trends or activities of the Company or its shares cannot be relied on as a guide to future performance, trends or activities. Any forward-looking information contained in these Presentation Materials has been prepared on the basis of a number of assumptions which may prove to be incorrect, and accordingly, actual results may vary from those projected as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. Recipients of these Presentation Materials should not place reliance on forward-looking statements, which speak only as of the date of the Presentation Materials. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, circumstances or otherwise or to reflect the occurrence or non-occurrence of any events.

“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 23rd 2020

SE Turkey: an “irresistible opportunity”

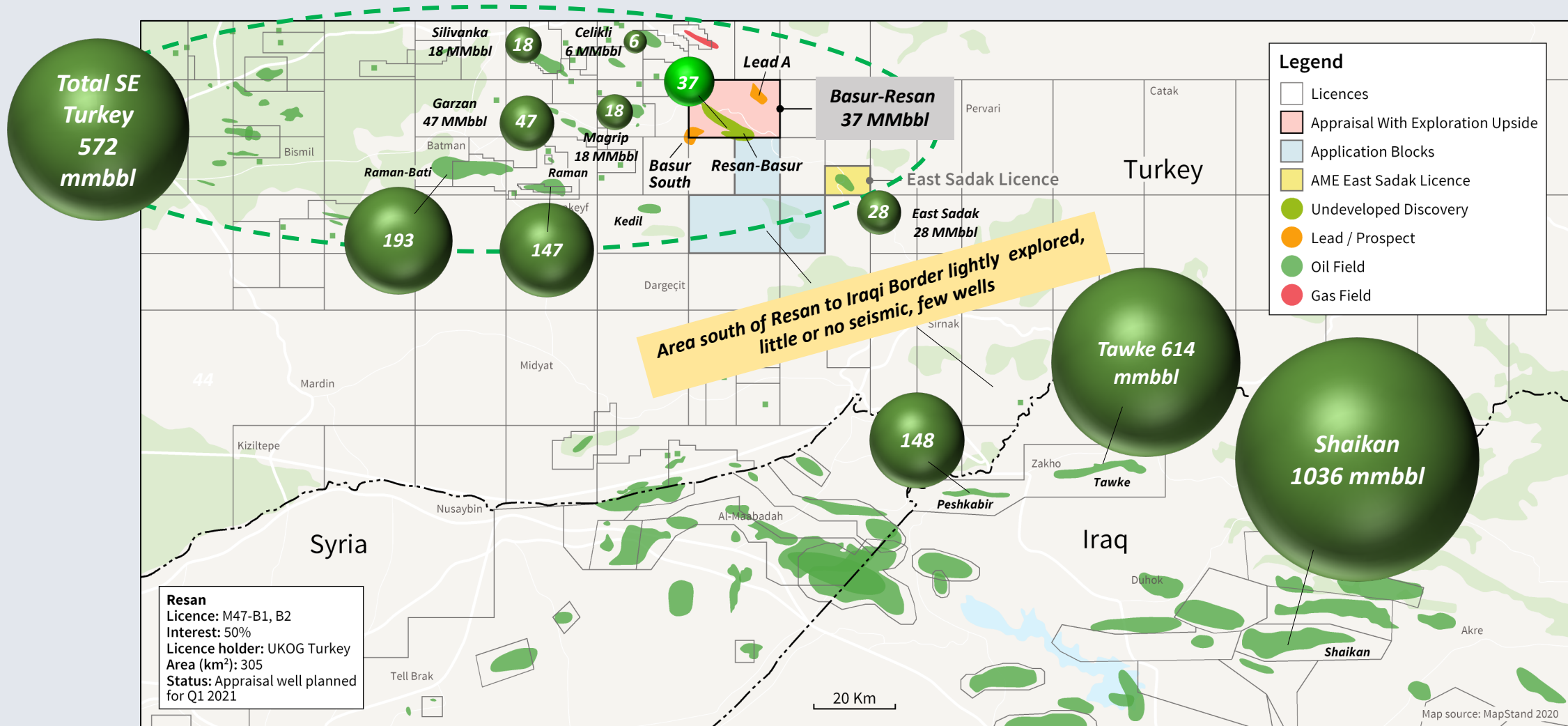
- South East Turkey has 18 times more produced & proven oil than the entire Weald Basin (572 mmbbl vs. 32 mmbbl)
- The area between Resan and the giant Kurdistan Region of Iraq oil fields remains largely unexplored
- South East Turkey has significant upside potential, hence the Resan farmin & our new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



Note: * UKOG has interests in 3 Weald Basin producing oil fields which contribute towards the stated volume

Source: Xodus report 6/2020; JKP website; DNO website; OGA website; UKOG CPR, 2018; ERCE CPR, 2016; IHS Energy.

SE Turkey & Iraq: UKOG licences, fields, recoverable oil mmbbl

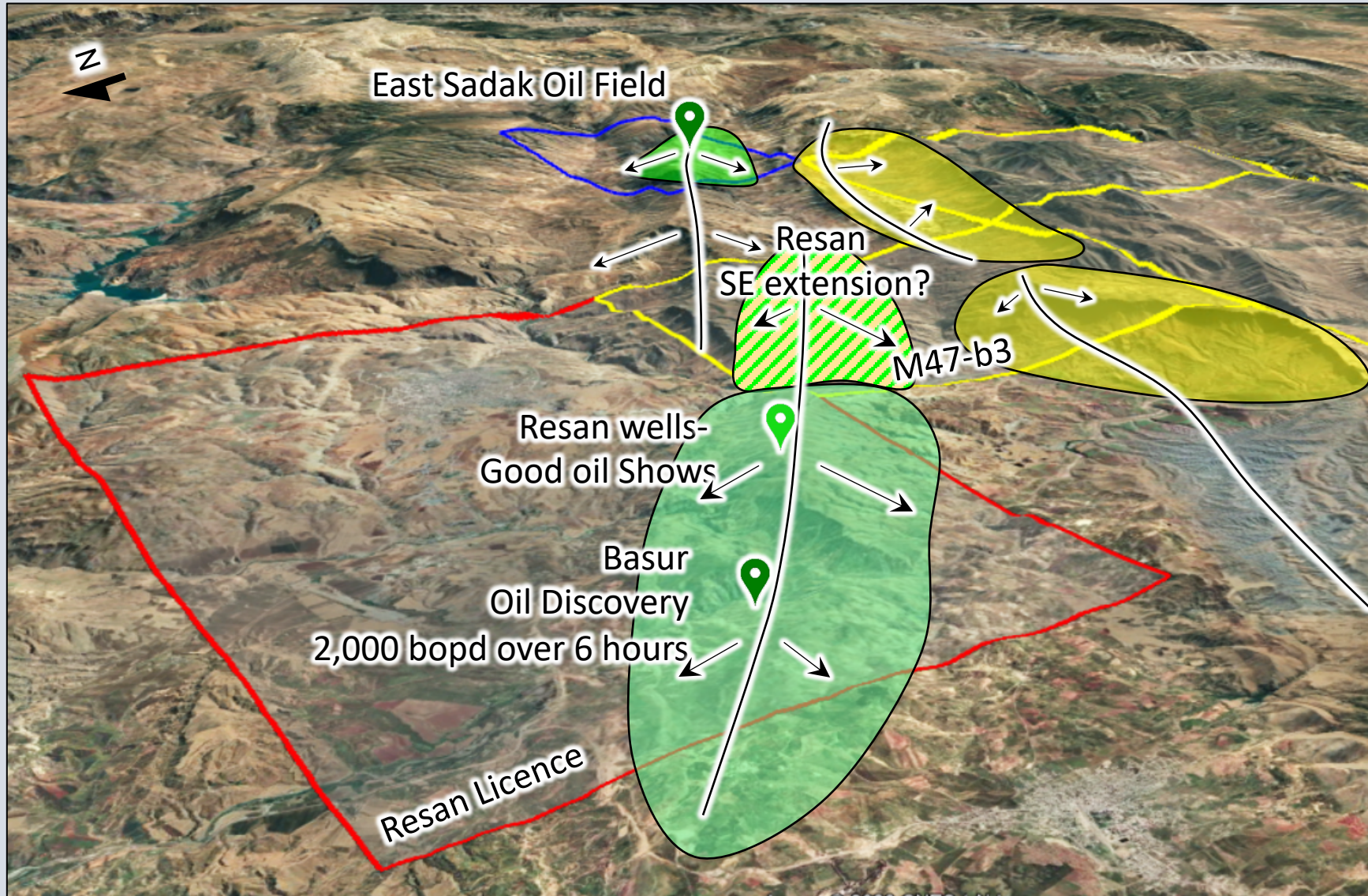


Source: UKOG CPR, 2018; Xodus report 6/2020, 8/2020; IHS Energy; JKP website; DNO website, ERCE CPR, 2016; OGA website



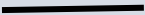


“It is now evident that, in the success case, the Basur-Resan appraisal project has the potential to surpass the recoverable oil and gas volumes currently assigned by Xodus to our material UK Arreton and Loxley appraisal projects. It also has the advantage of lower drilling and operating costs and, facilitated by Turkish petroleum law, the possibility to rapidly monetise the success case within a year. For these reasons success could be transformational for the Company.”

Stephen Sanderson, Chief Executive, RNS January 15th 2020

Resan Licence: Basur-Resan oil discovery



- Basur-Resan is a significant anticline with surface expression confirmed by seismic. Proven by wells to cover c. 45 km²
- Basur-1 flowed 500 bbl in 6 hours (i.e. equivalent to 2,000 bopd). Resan wells with good oil shows at similar depths.
- Possible significant extension to SE in new application block

-  Resan Licence
-  Application Block
-  Axis of surface geological feature (anticline)
-  Oil field or discovery
-  Prospective geological feature (surface anticline)

A prize even bigger than UKOG's UK quality 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



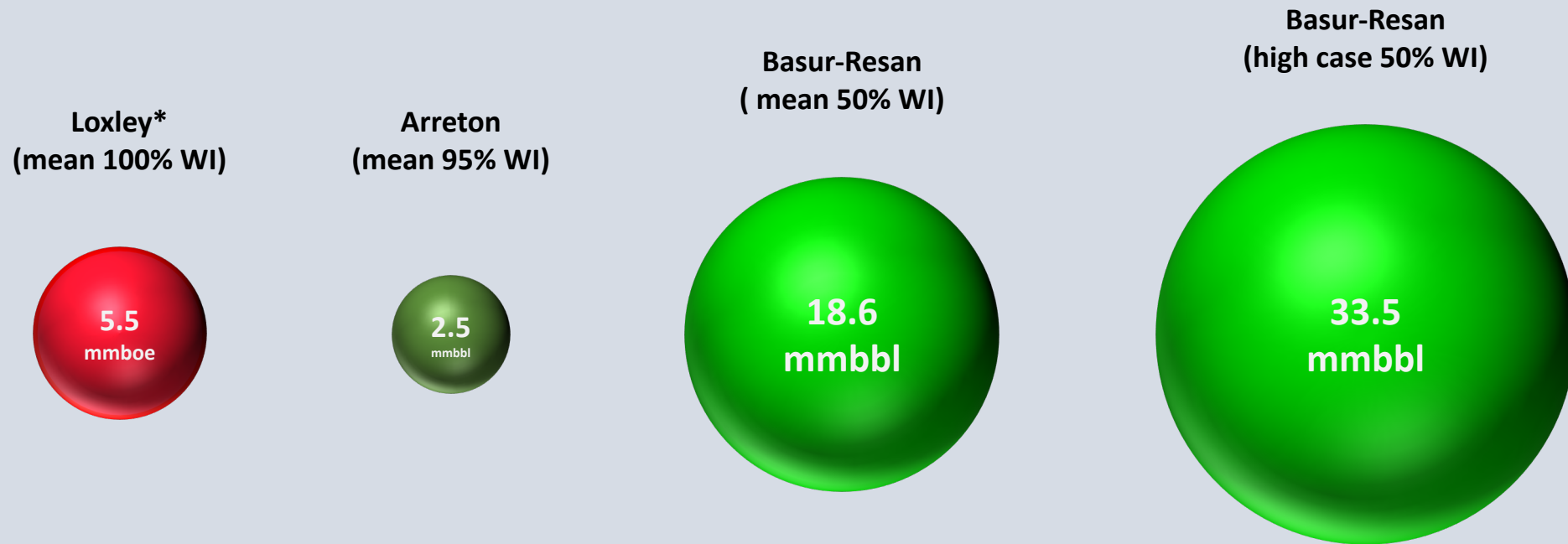
Note: * UKOG has interests in 3 Weald Basin producing oil fields which contribute towards the stated volume † Total historic oil production plus remaining 2P reserves ² PEDL234+ PEDL235

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

UKOG Appraisal Projects: net discovered recoverable volumes

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

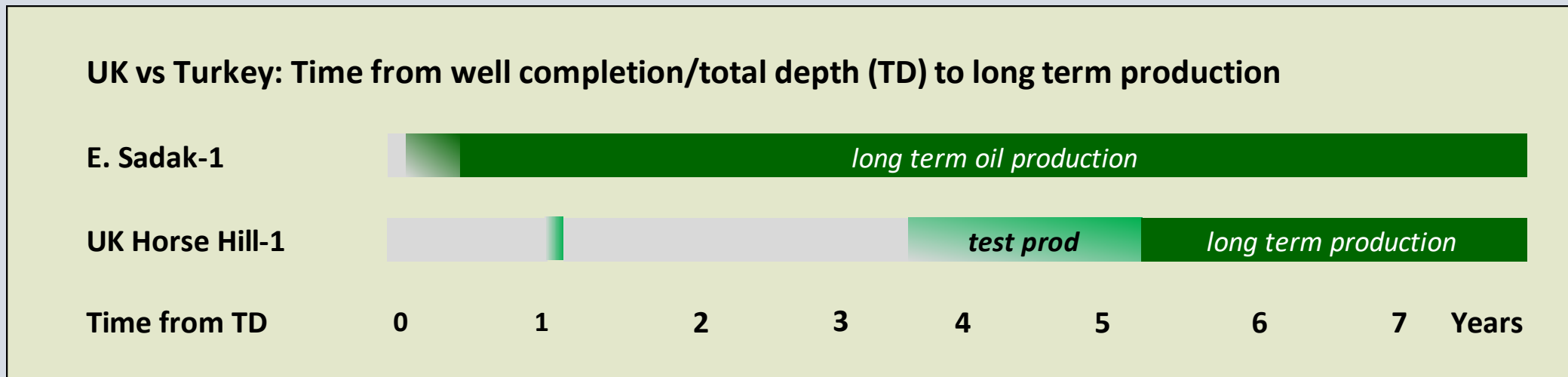
- Over 7 times larger than Arreton Portland
- Over 3 times larger than Loxley Portland (oil equivalent)



Source: UKOG CPR, 2018; Xodus report 6/2020; Xodus report 8/2020 * PEDL234 only

Rapid monetisation in under 1 year is possible in Turkey

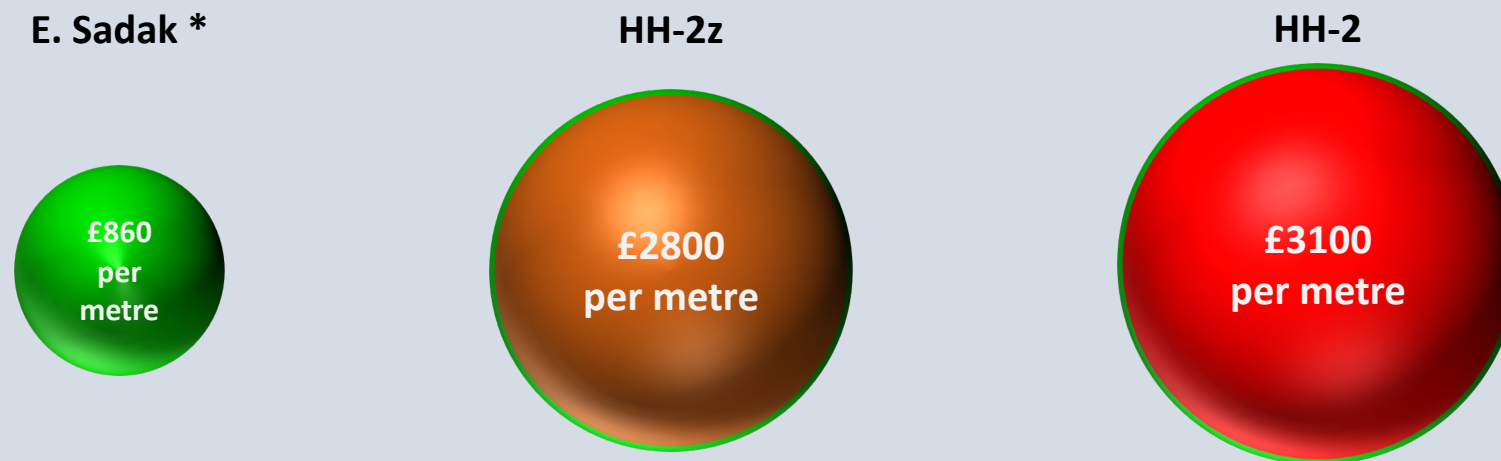
- **Rapid monetisation, months versus years in UK**
 - UK 4-5 year wait to long term production erodes ~40% of project net present value
 - AME's E. Sadak field in production within 1 month of well finish, official production consent in 7 months
 - Right to produce enshrined in Turkish Petroleum Law (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



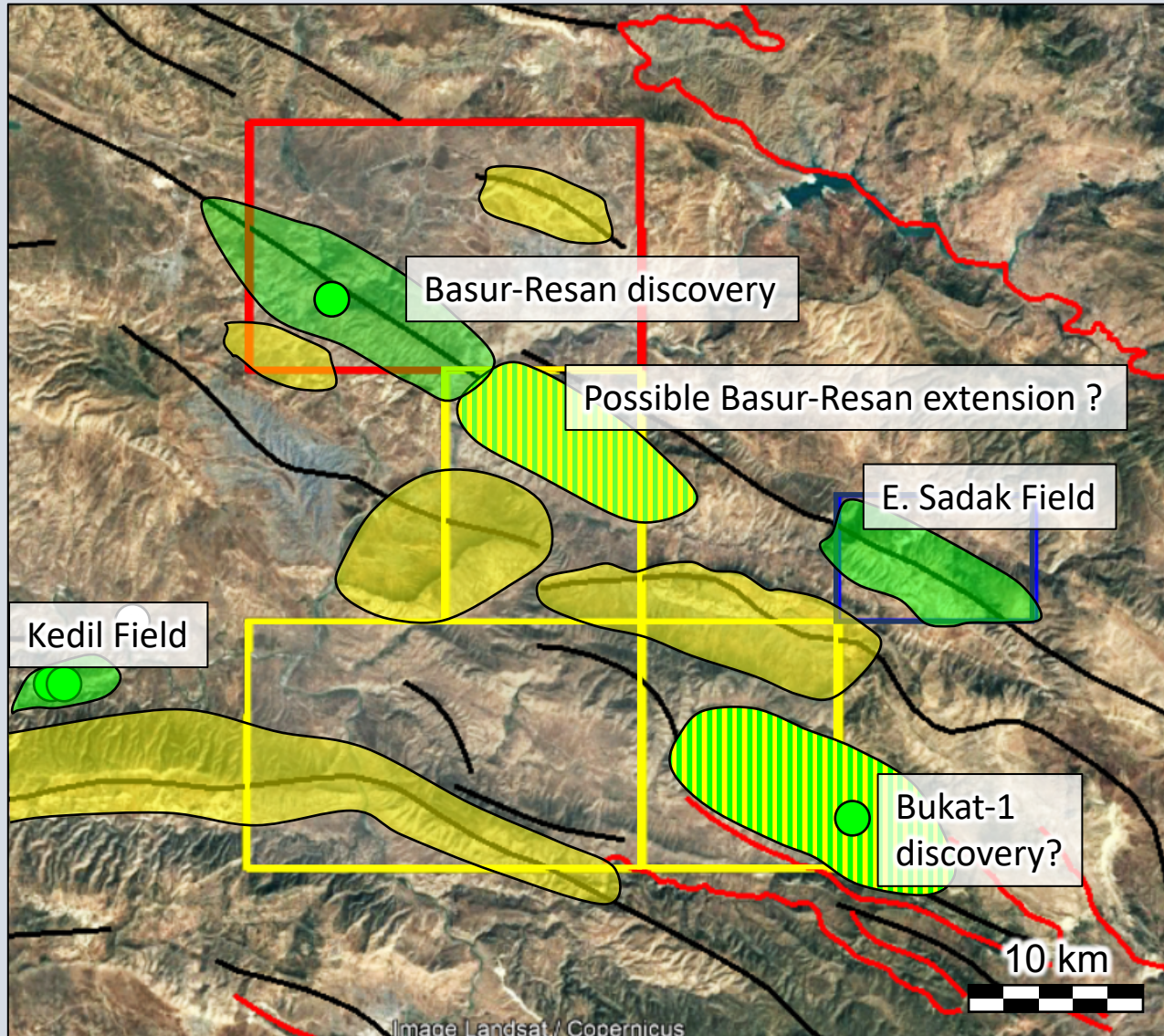
- **Lower cost environment versus UK**

- Drilling cost based upon AME E. Sadak field costs is approx. $\frac{1}{3}$ 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**

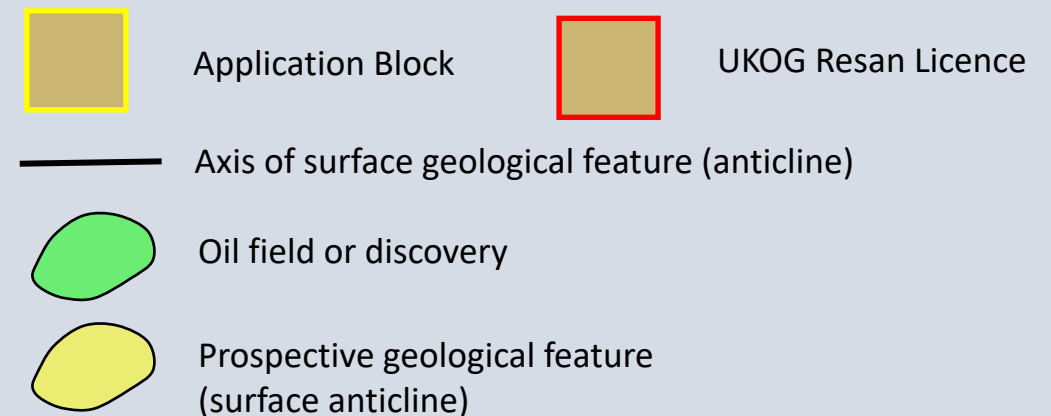
Drilling cost comparison £/metre



Resan Licence Area: Significant potential, lightly explored



- New Licence application contains SE extremity of Basur-Resan oil accumulation (light green) plus possible further significant 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.



SE Turkey: New UKOG Turkey Licence Application



- **UKOG Turkey and its 50/50 partner Aladdin Middle East (AME) have applied to the Turkish authorities for three further exploration licences in south east Turkey.**
- **The application area covers four blocks (total area 612 km²) lying to the south and south east of the Company's 305 km² Basur-Resan Licence (see RNS releases of July 23 and October 13, 2020).**
- **This application is on a ground floor basis with UKOG responsible solely for its 50% share of any future costs.**
- **The four blocks straddle multiple large identified undrilled surface geological features (i.e., surface anticlines), each geologically similar to the Company's Basur-Resan oil appraisal project, AME's producing East Sadak oil field and the Kurdistan Region of Iraq's oil fields to the south.**
- **To date, the application blocks have been scantily explored with almost no seismic coverage and few wells.**
- **At this stage, whilst indications are positive, we await formal notification as to which licence or licences, if any, are awarded to AME/UKOG.**