

Phase 1 Well Management Contract Award

1 June 2020

Independent Oil and Gas plc Award of Phase 1 Well Management Contract to Petrofac

Independent Oil and Gas plc ("IOG" or "the Company"), (AIM: IOG.L), the development and production company focused on becoming a substantial UK gas producer, as operator of its joint venture with CalEnergy Resources (UK) Ltd, is pleased to announce that it has awarded the Core Project Phase 1 well management contract to Petrofac. Confirmation of this award follows a competitive tendering process and the approval last month of the Phase 1 Field Development Plan (FDP) by the UK Oil and Gas Authority (OGA).

Phase 1 comprises the development and production of the Southwark, Blythe and Elgood fields in the UK Southern North Sea (SNS) through a total of five wells, with gas transported onshore via the Thames Pipeline. The contract scope covers the planning, execution and close-out phases of the Phase 1 drilling programme, with Petrofac intended to act as Well Operator on behalf of IOG. Petrofac has performed this role for nine other companies in the UK North Sea and has drilled over 400 wells for more than 100 operators globally. The planning phase includes detailed well design, risk assessment and management of well-related regulatory requirements. During the execution phase Petrofac will manage well engineering, procurement and logistics, assure well construction and integrity, and provide onshore and offshore personnel to support the drilling campaign.

Extensive work has already been undertaken so far this year between the IOG and Petrofac teams under a letter of limited commitment to ensure all preparations for the 2021-22 Phase 1 drilling campaign proceed to plan.

Andrew Hockey, CEO of IOG, commented:

"We are very pleased to have selected Petrofac as the well management contractor for Phase 1 of our core UK SNS gas development. Petrofac have demonstrated that they have the right credentials and expertise to execute what will be a critical role in helping IOG to deliver a safe, productive and cost-effective five-well Phase 1 drilling campaign kicking off in the first half of next year.

The IOG drilling and subsurface teams have already established a strong working relationship with the Petrofac team in recent months and this will deepen further as Phase 1 drilling preparations ramp up."

Nick Shorten, Managing Director, Petrofac Engineering and Production Services West, said:

"We are thrilled to be supporting IOG's prestigious SNS gas development project. Through the deployment of our extensive asset and well management expertise, we will work closely with IOG to assure the integrity of the wells and deliver a safe and cost-efficient drilling programme to support the advancement of their development."

Certain information communicated in this announcement was, prior to its publication, inside information for the purposes of Article 7 of Regulation 596/2014.

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About IOG:

IOG owns and operates a 50% stake in substantial low risk, high value gas reserves in the UK Southern North Sea. The Company's Core Project targets a gross 2P peak production rate of 140 MMcfe/d (c. 24,000 Boe/d) from gross 2P gas Reserves of 302 Bcfe¹ + 2C gas Contingent Resources of 108 Bcfe², via an efficient hub strategy. In addition to the independently verified 2P reserves at Blythe, Elgood, Southwark, Nailsworth and Elland and 2C Contingent Resources at Goddard, IOG also has independently verified best estimate gross unrisks prospective gas resources of 73 Bcfe² at Goddard. Alongside this IOG has management estimated mid-case recoverable gas volumes of 40 Bcfe and 100 Bcfe at the Harvey and Redwell licences and continues to pursue value accretive acquisitions to generate significant shareholder returns.

¹ERC Equipoise Competent Persons Report: October 2017, adjusted by Management to account for updated project timing and compression

²ERC Equipoise Competent Persons Report: October 2018

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