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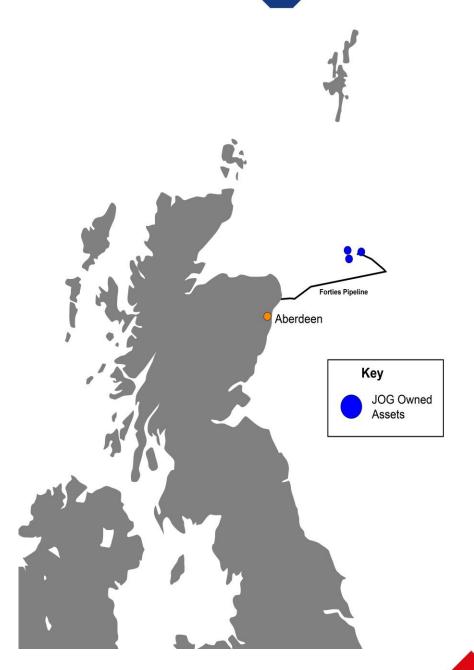
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## **Company Overview**

JERSEY OIL&GAS

- AIM quoted company focused on building a low-cost, high value company in UK North Sea
- Experienced management team aligned with shareholders
- Verbier Oil Discovery
  - Up to 130 million barrels oil discovery
  - Successful joint venture with Statoil and CIECO
  - Largest discovery in North Sea 2017
- Fully Funded for Verbier appraisal and further exploration
  - YE 2017 cash estimate: £25 million
  - 2018 CAPEX guidance: £9-11 million
- Strong equity base, well positioned for growth
- £25 million tax losses to enable competitive bids
- Indicative bank funding support
- Debt free

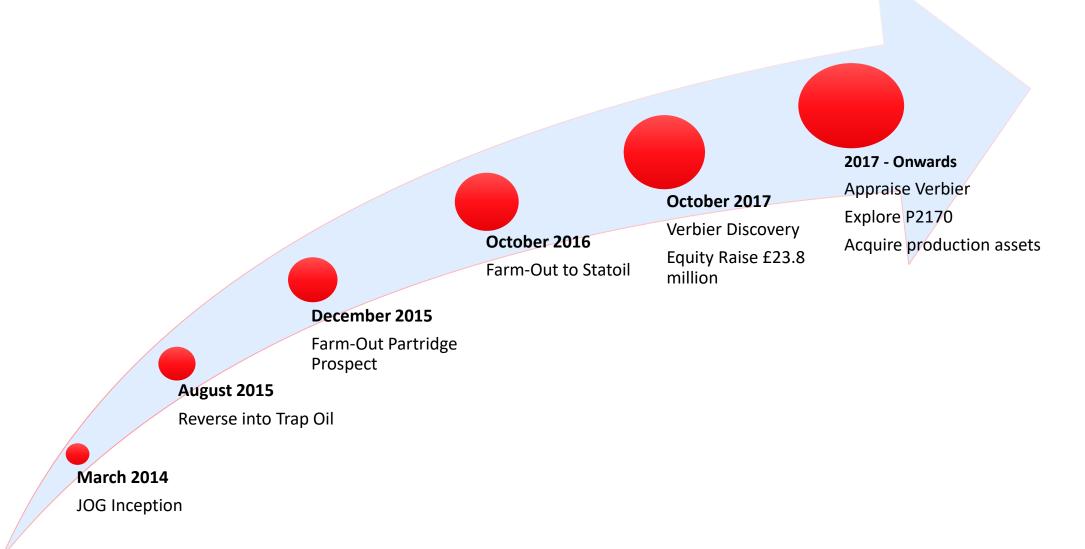
AIM Quoted – LN:JOG*		
Market Cap	£46.1 MM	
Share Price	211p	
Shares Outstanding	21.8 MM	



<sup>\*</sup> As of 29th January 2018

## **JOG Key Milestones**





Strategy: North Sea focused mid cap E&P company within 3 – 5 years

## **Board and Key Management**



#### Non-Exec.



Marcus Stanton, Non Exec. Chairman
Strengths: Investment Banking, Finance, Corporate
Governance

- COO, Global Capital Markets, Robert Fleming & Co.
- Director of Hill Samuel & Co, Corporate Finance
- Numerous NED roles including Cardinal Resources and Velosi Group
- Fellow of Institute of Chartered Accountants in England & Wales and Chartered Fellow of Chartered Institute for Securities and Investment



Frank Moxon, Non Exec. Director Strengths: Management, Corporate Governance, Capital raising, M&A

- Cove Energy Plc, Senior Independent Director
- Williams de Broë Plc, Head of Corporate Finance and Natural Resources
- BSc in Economics and is a Chartered Fellow of the Chartered Institute for Securities and Investment
- Fellow of the Energy Institute and a member of the Petroleum Exploration Society of Great Britain



Andrew Benitz, CEO
Strengths: Commercial, Corporate, Team
Management

- · CEO, Longreach Oil and Gas
- COO, Longreach Oil and Gas
- Deutsche Bank (Oil and Gas Corporate Finance, ECM)
- Founder, Titan Properties
- BComm (Hons) Edinburgh and University of Alberta

#### Directors



Ron Lansdell, COO Strengths: Geophysics, Exploration Project Execution, Commercial

- Vice President of Exploration, Longreach Oil and Gas
- ENI (Nigeria, Kazakhstan and UK)
- BHP Petroleum (Western Australia)
- Elf Aquitaine (Norway, France, Syria)
- QGPC (Qatar)
- Fellow of the Geological Society of London
- University of London, BSc Geology



Scott Richardson Brown, CFO Strengths: Finance, Corporate, Investor Relations, Commercial

- Qualified as an Accountant with PWC
- Partner of Oriel Securities Ltd.
- Director for CSR plc
- Director of Ascent Resources plc
- Fellow of the Institute of Chartered Accountants in England & Wales

#### Senior Management



**Dr Satinder Purewal, VP Technical** Strengths: Petroleum Engineer

- Shell (Responsible for European Reserves Assurance and Global Reserves Training)
- Fellow of the Institute of Physics, Fellow of the Energy Institute
- Member of SPE, SPEE and a Chartered Engineer (CEng)
- Imperial College, MSc, PhD and visiting Professor of Petroleum Engineering



Martin David, Exploration and Licences Strengths: Geology, Exploration Management (All North Sea)

- Suncor Energy (UK)
- Petro-Canada (UK)
- Veba Oil & Gas
- Deminex
- Unocal
- University of London, BSc Geology

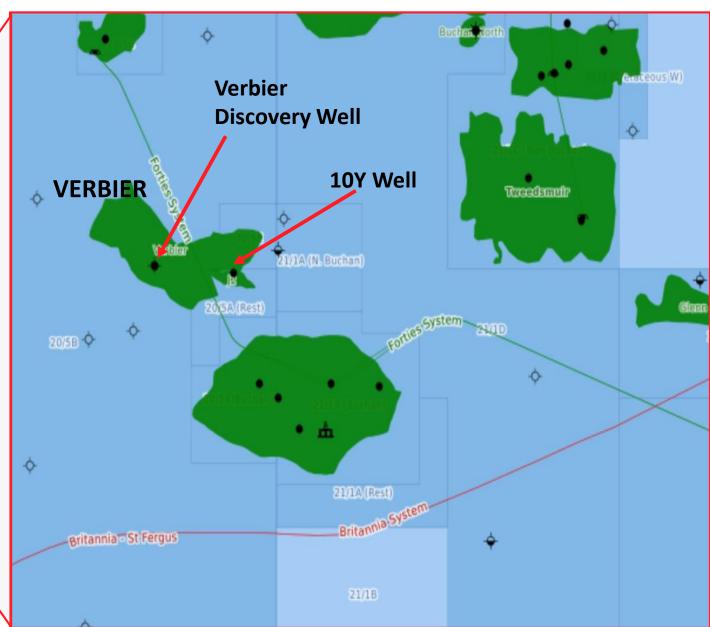


### **Verbier Location**



- 100 km offshore NE Aberdeen
- Moray Firth area, Central North Sea
- 8km north of Buchan
- 55km east of Buzzard
- Close proximity to Forties
   Pipeline System

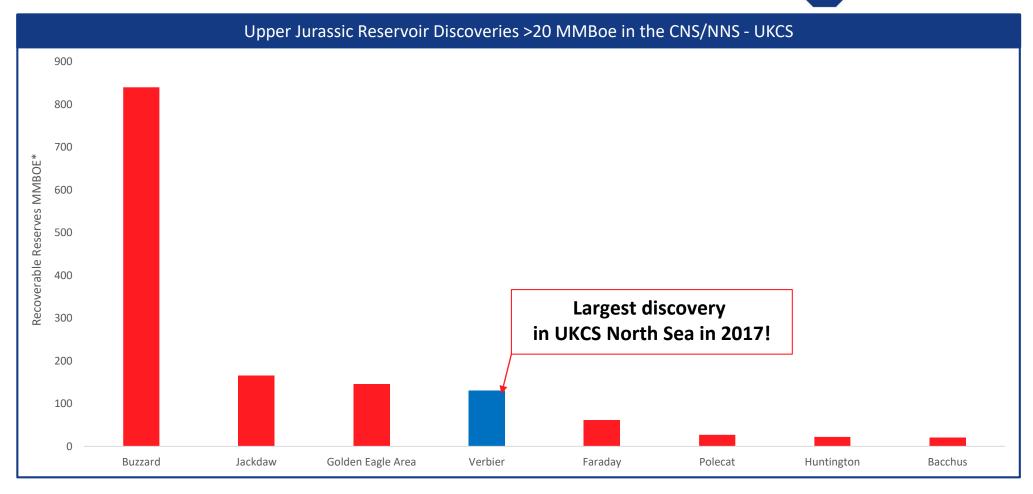




Source: Woodmac

### UKCS Upper Jurassic Discoveries – Last 20 years



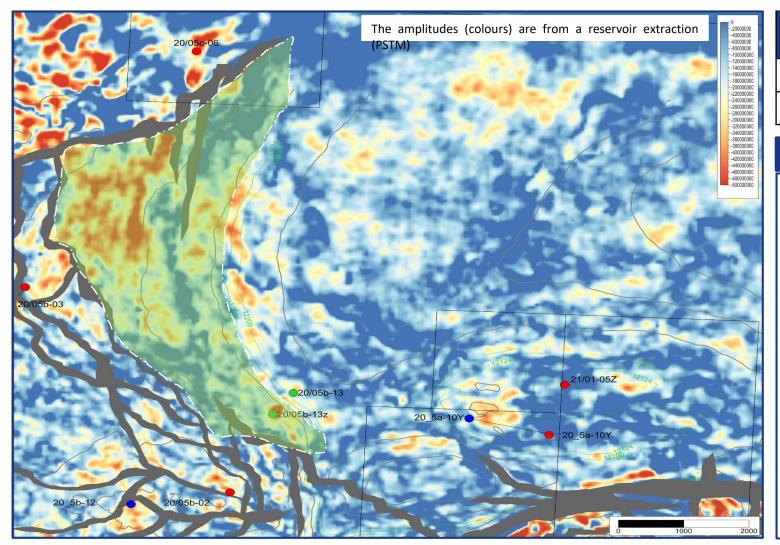


- Recoverable resource estimates attributed to Verbier make it a significant oil discovery in the past 20 years
- The Late Jurassic turbidite reservoirs in Buzzard are analogous to Verbier, Cortina & Meribel

<sup>\*</sup> Verbier volume as per RNS 0060T Jersey Oil & Gas

## **Verbier – Area for Appraisal - Provisional**





Verbier Gross Recoverable Resources MMboe		
Low Case	Mean Case	High Case
25	69	130

#### **Forward Work Programme**

- Work programme and budget approved to appraise Verbier
- Verbier appraisal planned for summer 2018
- Advanced negotiations to secure rig
- Appraisal well + option for an additional sidetrack well
- Ongoing Exploration activity on licence
- JOG is fully funded

Verbier could be the next major production hub in the North Sea

## **Verbier – Building Knowledge**



**Discovery** 

**Appraise** 

**Development** 

**Production** 

# **Exploration 5-10 Years**



#### **Discovery**

- Identified the opportunity
- Seismic interpretation
- Geological and sedimentological model
- High impact farm out to Statoil
- Drilling of Verbier discovery well

# Production 15+ Years

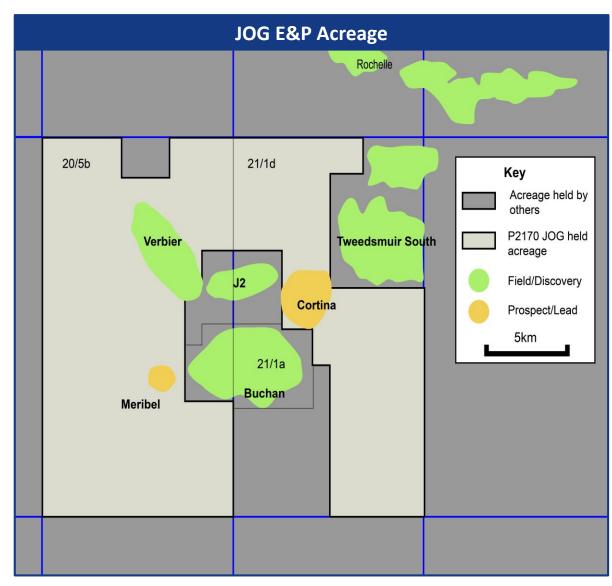


#### **Appraise**

- Geological and Geophysical Studies
- Update 3D seismic Interpretation
- Sedimentological model
- Appraisal drilling leading to
  - Reserve estimate
  - Reservoir studies
  - Pre development work

### **JOG's P2170 Licence – Exploration Upside**



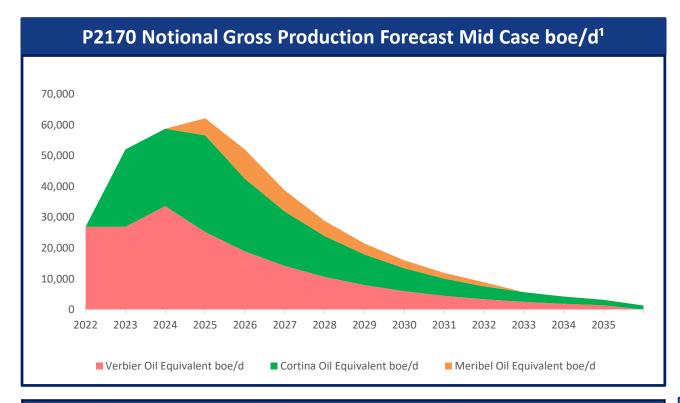


- Very exciting results of Verbier give added incentive for further exploration throughout our acreage
- The Verbier discovery has provided valuable geological and geophysical information
- Gained a better understanding of the prospectivity of the licence area
- Ongoing licence-wide exploration effort looking for other Verbier analogues
  - Cortina, Meribel, and Others
- Knowledge gained can also be used to explore for analogues outside of P2170
- Contingent plans for site survey and additional exploration well planning

Gross Recoverable Resources MMboe P2170			
	Low Case	Mean Case	High Case
Cortina Prospect <sup>1</sup>	39	124	240
Meribel Lead <sup>2</sup>	6	13	19
Total	45	137	259

### **P2170 Value Potential for JOG**





Verbier <sup>2</sup>
25-130 MMboe
Cortina
39 -240 MMboe
Meribel
6 - 19 MMboe
Other Satellites /
New Discoveries
`

P2170 Notional NPV(10) £MM – net to JOG <sup>3</sup>			
	Low	Mid	High
Verbier	31.2	49.3	196.7
Cortina	52.2	78.4	199.3
Meribel	0.3	2.6	4.5
Total	83.7	130.2	400.5

- Economic field life 13+ years
- Potential development strategy results in high initial production rate and hence quick pay-back
- Tie backs to Verbier enhance value

<sup>1</sup> JOG Management Estimates, Notional Gross Production Forecast

<sup>2</sup> Verbier resources as per RNS 0060T Jersey Oil & Gas. Cortina resources based on a CPR conducted by ERCE 2017. Meribel resources - JOG Management Estimate

<sup>3</sup> JOG Management Estimates using current Brent strip curve and indicative JOG development and production cost estimates

### **Notional Verbier Development Scenario and Costs**



#### **Notional development scenario**

- Wellhead Platform linked to a production platform
- Notional Lifecycle costs under \$35/boe
- Category 5 estimates
- Adding tie backs from other discoveries significantly reduces cost/boe

Indicative Development Parameters		
Recoverable Resources	130 MMboe	
Daily Peak Production	55-65 kbopd	
Appraisal	2018	
First Production	2022	
API Gravity <sup>2</sup>	39	

Lifecycle Cost \$/boe		
CAPEX	10 – 13	
OPEX	14 – 18	
ABEX	2 – 4	
Total	26-35	

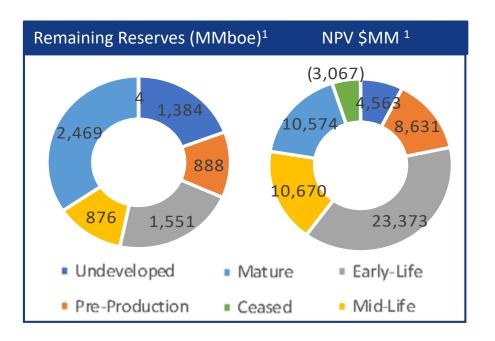


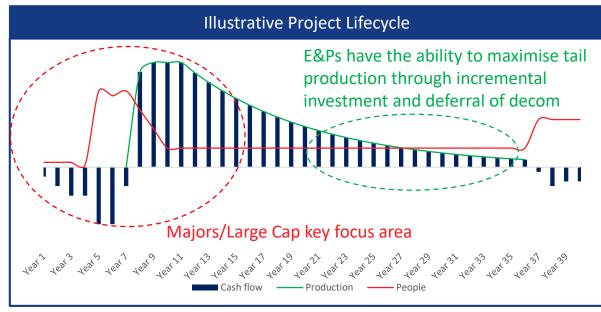
<sup>1</sup> JOG Indicative Management Estimates. All costs in this slide are Real 2017 GBP. 2 Inferred from the Drill Stem Test performed on the 20/5a-10Y well 29.09.06



## Why North Sea







#### **Key details**

#### A prolific province

- 330 producing oil and gas fields
- Heavy infrastructure already in place
- Field life extensions have been proven to be possible
- Significant remaining recoverable reserves - estimates from 5-20bn barrels

#### Low oil prices driven down costs

- Rig rates down as much as 75%
- Average operating costs are down 30-40%

#### **Strong government support**

- Headline taxes have been slashed to 40%
- OGA MER Programme to extend life of fields and infrastructure
- Field historic tax position transferred with asset sales announced in autumn 2017 aligning seller & purchaser expectations

## **Additional Funding Support**



#### **Bank RBL Facility**

#### **Reserve Based Lending**

- Excellent relationship with a major bank for RBL facilities for production asset acquisitions
- Contingent on:
  - Deal size
  - Asset diversification

# Oil Major Pre-Payment Agreements

#### **Pre-Payment Agreements**

- Strong working relationship with Major trading division keen to fund JOG using pre-pay agreements and other structured derivative products, in return for a future off take agreement
- We have been in advanced talks on various production acquisition targets regarding this type of financing structure
- Requires entering into offtake agreements for hydrocarbon product

JOG view that RBL and/or pre pay agreements can support up to 60% of our funding requirements on production acquisition targets

Good relationship with major finance providers who are keen to back JOG

## **Jersey Oil and Gas**



#### People

- Management team with over 100 years combined experience in the North Sea
- Key management have significant shareholdings
- Diversified skill set, nimble and tenacious team

# Valuable Exploration Assets

- Licence P2170 Verbier Discovery October 2017
- Licence P2170 Licence wide exploration effort underway
- Potential to evaluate additional acreage using knowledge for similar play concepts
- Strong joint venture with Statoil and CIECO

# Production Asset Acquisition

- Significant ongoing deal flow
- £25 million of tax losses to enable competitive bids
- Indicative bank funding support and oil major financial support

# Creation of Shareholder Value

- Successful deal execution
- Fully funded for upcoming appraisal programme and further exploration upside
- Debt free with no material liabilities

### Let's not let private equity firms have all the fun in the North Sea!