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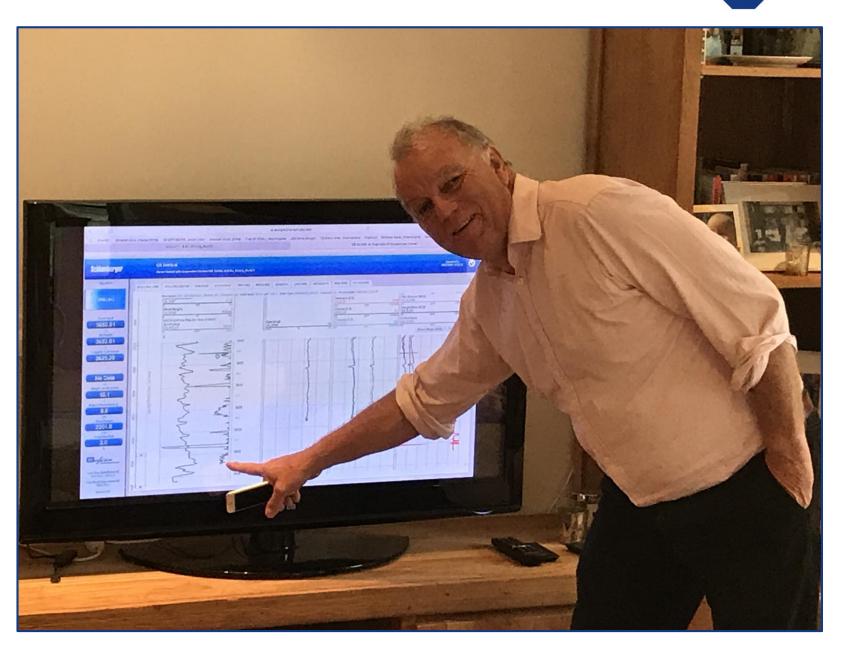
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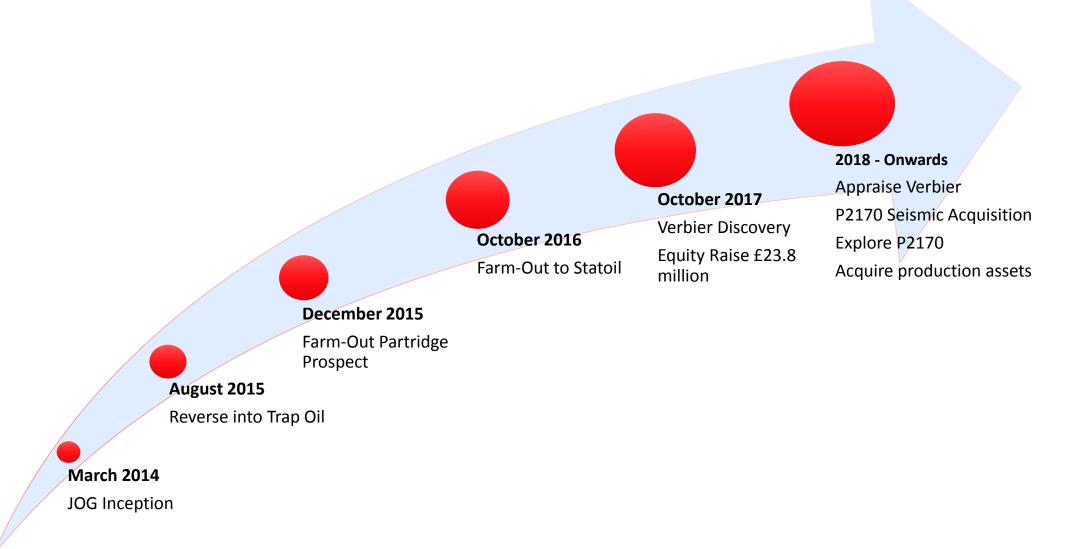
# **'Moment of Discovery!'**





# **JOG Key Milestones**





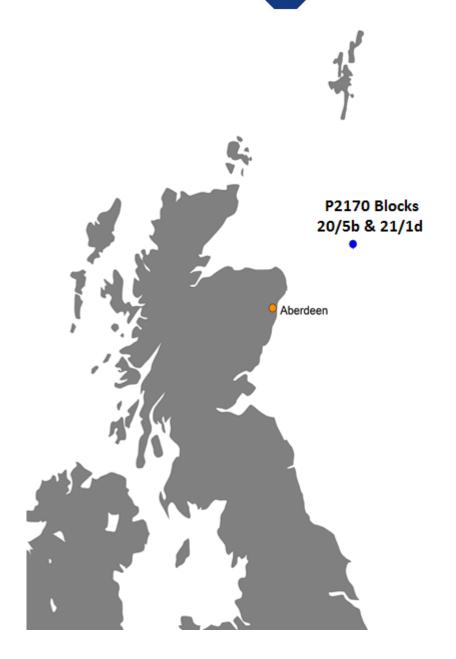
Strategy: North Sea focused mid cap E&P company within 3 – 5 years

# **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
- Fully Funded for Verbier appraisal and further exploration
  - YE 2017 cash: £25.4 million
  - 2018 CAPEX guidance: £11 million

AIM Quoted – LN:JOG*		
Market Cap	£46.7 MM	
Share Price	215p	
Shares Outstanding	21.8 MM	



\* Close 11th June 2018

# 2017 - A strong year for shareholders



High Drilling Exposure

- £33m drilling campaign on Verbier in 2017
- £6m of direct drill bit exposure provided to shareholders on the Verbier Main Bore and Sidetrack at no cost

Significant potential Verbier NPV

- Created large value potential for shareholders through the drill bit
- £30m Low Case NPV, net to JOG
- £200m High Case NPV, net to JOG
- More could be proved up in 2018+

Large Resource Potential

- Discovered Verbier, minimum proven recoverable volume of 25 million barrels
- Potential recoverable resource of up to 130 million barrels
- Significant remaining upside potential

Significant Carry Income

- \$25 million carry from Statoil on 1st well
- JOG received £2.4 million from CIECO
- Net receipt of £1.2 million to JOG from 2017 drilling campaign

Made discovery, received income, delivered sizeable NPV - all from Verbier

# **Board and Key Management**



Non-Exec.



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



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

#### **Directors**



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



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



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

#### Management



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



Martin David, Exploration and Licences
Strengths: Geology, Exploration Management



David Larcombe, Engineering & Commercial Manager Strengths: Process Engineering, Field Development, Asset Valuation

### Legal



**Company Secretary** 



John Church, Company Secretary Strengths: Accounting, Corporate Governance



Gary Tootill, Development Manager Strengths: Asset Development & Field Management



Rebecca Smith, Financial Controller Strengths: Account Management, Finance

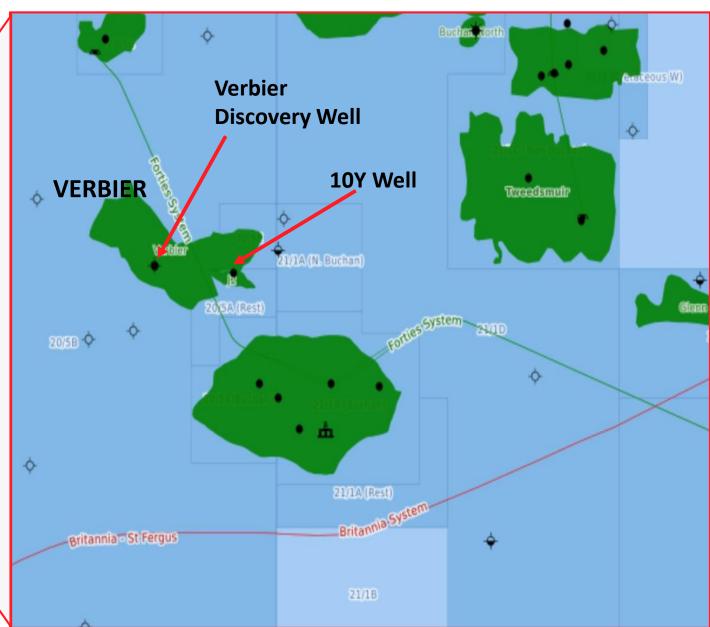


### **Verbier Location**



- 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

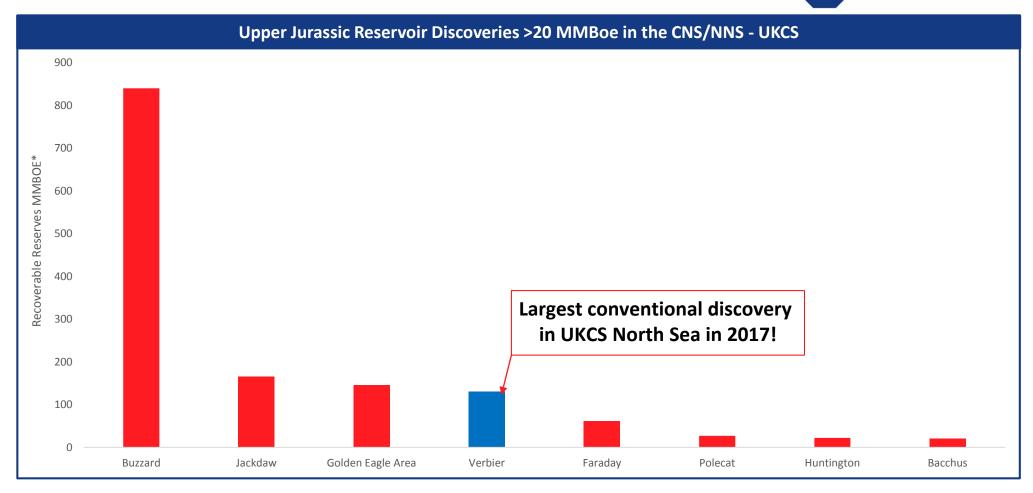




Source: Woodmac

### **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

## **Strong Joint Venture - P2170**





Market Cap £67.8 Billion 70% Working Interest



Market Cap\*
£24.4 Billion
12% Working
Interest



Market Cap £46.7 Million 18% Working Interest

Potential big oil play with small company upside

# **Verbier – Building Value**



#### Discovery - 2017

- Proved a minimum of 25 million barrels gross recoverable oil
  - Potential Gross Oil Value \$1.75 billion<sup>1</sup>
  - Low case potential discounted value net to JOG: £31.2 Million<sup>2</sup>
- Verbier gross recoverable resource range 25-130 million barrels



#### Appraisal - 2018

- Objective Determine resource range
- Up to 130 million barrels of gross recoverable oil
  - Potential Gross Oil Value \$9.1 billion1
  - High case potential discounted value net to JOG: £196.7 Million<sup>2</sup>



JOG investing c.£11m to increase proven recoverable volumes potentially 5 fold

### **The Appraisal Programme**







Verbier is part of a multi-well drilling campaign

- West Phoenix Rig is currently operational in the **UKCS**
- Verbier is currently scheduled for late Q3, early Q4
  - Appraisal well + possible sidetrack well
  - Estimate Drill time 30-40 days
- Cost effective for JOG
- JOG fully funded

#### **West Phoenix Rig**

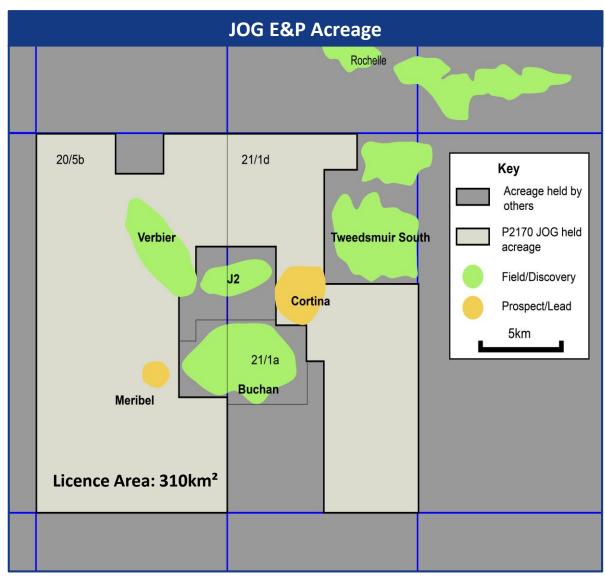


- Sixth generation semi-submersible
- **Dual derrick**
- Dynamically positioned using 8 thrusters
- Length 82.7m; Breadth 72.7m
- BOP rated to 15,000 PSI
- Accommodation for 128 persons

Appraisal objective: Prove up more recoverable volumes

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





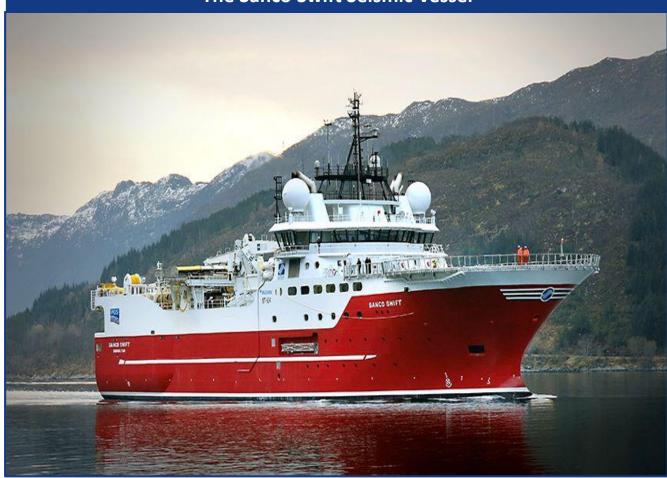
- Very exciting results of Verbier give added incentive for further exploration throughout our acreage
- The Verbier discovery has provided valuable geological and geophysical information
- Gained a better understanding of the prospectivity of the licence area
- Ongoing licence-wide exploration effort
  - Cortina, Meribel, and Others
- Knowledge gained can also be used to explore for analogues outside of P2170
- New 3D seismic survey underway

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

### **3D Seismic Survey underway**







- New 3D seismic survey over the P2170 licence area and certain offset acreage underway
- State of the art acquisition technology for 3D broadband data
- Survey tailored to ensure a high quality dataset optimised to advance the interpretation of the Verbier discovery and assessment of other exploration opportunities within P2170
- Delivery of the final imaged data by PGS from the survey is currently expected in late Q1 2019

The data will be pivotal for strategic planning and potential development of Verbier and further exploration

### **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	

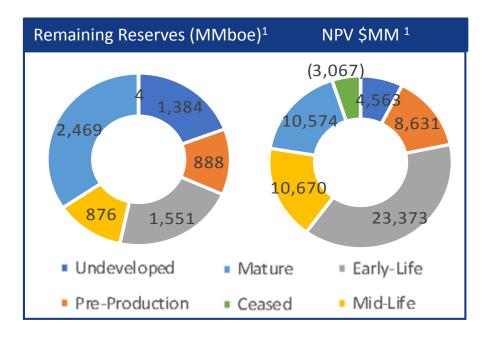
Lifecycle Cost \$/boe		
CAPEX	10 – 13	
OPEX	14 – 18	
ABEX	2 – 4	
Total	26-35	





# Why North Sea





#### **JOG Acquisition Strategy**

- Seeking to acquire value-enhancing North Sea production assets
- Multiple asset acquisition opportunities in the pipeline under evaluation
- Sensitive about equity dilution and are therefore increasingly disciplined in our approach to acquisitions
- Optimal financial structure to minimise dilution to the Verbier story

#### **Key details**

### A prolific province

- 330 producing oil and gas fields
- Heavy infrastructure already in place
- Remaining reserves 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

# **Jersey Oil and Gas**



People

Valuable Exploration Assets with significant upside potential

**Disciplined Growth Strategy** 

Focus on Creation of Shareholder Value

Potential big oil play with small company upside