



JERSEY OIL&GAS

# Corporate Presentation

January 2020





## Jersey Oil & Gas

- Over the last 4 years JOG has built a highly attractive E&P portfolio in the UKNS
- More than 140 mmboe of discovered oil and 200+ mmboe of exciting exploration potential - post acquisition
- Progressing a major new development in the Greater Buchan Area
- US\$1.2bn NPV portfolio in a highly attractive part of the CNS

## Key 2020 activity

- Deliver Concept Select
- Commence Greater Buchan Area farmout process(es) to deliver largest funding component of GBA development costs
- Contract key Front-End Engineering Design (“FEED”) suppliers/contractors

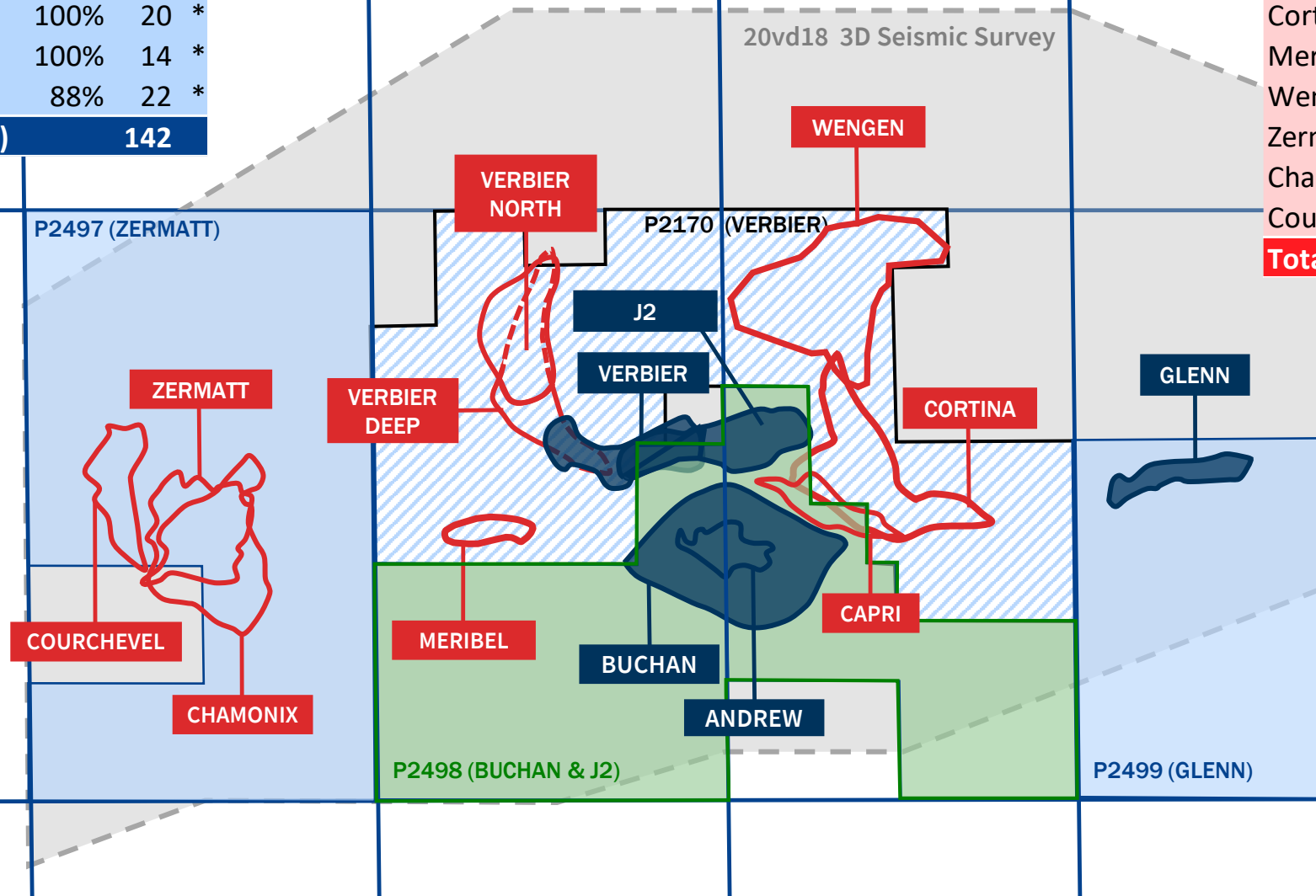
## Acquisition

- JOG is acquiring an additional 70% interest and operatorship in Licence P2170 including the Verbier oil discovery:
  - an increase of 17.5 mmboe
  - multiple high impact exploration opportunities
- Simplifies ownership structure ahead of farmout process

# Material portfolio of discovered and prospective resources

| Net Contingent Resources |      |            |
|--------------------------|------|------------|
| Buchan                   | 100% | 82         |
| Buchan Andrew            | 100% | 3          |
| J2                       | 100% | 20 *       |
| Glenn                    | 100% | 14 *       |
| Verbier (Main)           | 88%  | 22 *       |
| <b>Total (mmboe)</b>     |      | <b>142</b> |

| Net Prospective Resources |      |            |
|---------------------------|------|------------|
| Verbier (Deep)            | 88%  | 27 *       |
| Verbier (North)           | 88%  | 6 *        |
| Cortina/Capri             | 88%  | 66 *       |
| Meribel                   | 88%  | 9 *        |
| Wengen                    | 88%  | 53 *       |
| Zermatt                   | 100% | 30 *       |
| Chamonix                  | 100% | 34 *       |
| Courchevel                | 100% | 8 *        |
| <b>Total (mmboe)</b>      |      | <b>232</b> |



|            | Contingent Resources | Prospective Resources |
|------------|----------------------|-----------------------|
| P2170      | 22                   | 149                   |
| P2497      | -                    | 72                    |
| P2498      | 105                  | 11                    |
| P2499      | 14                   | -                     |
| <b>JOG</b> | <b>142</b>           | <b>232</b>            |

>140mmboe discovered resources, >200mmboe exploration upside

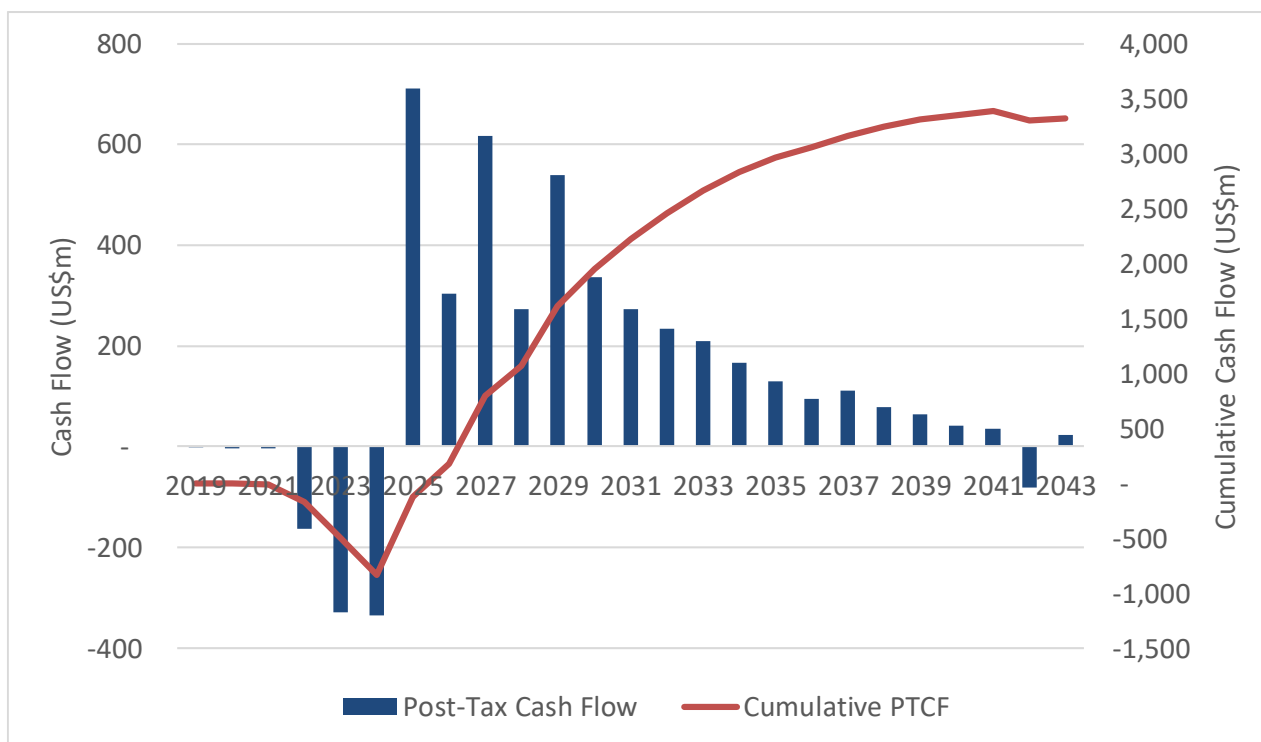
## **Acquisition of 70% of licence P2170 from Equinor**

- Contingent payments on development of the Verbier Upper Jurassic oil discovery
  - ▶ US\$3m upon sanction of FDP
  - ▶ US\$5m upon first oil
  - ▶ Tiered gross revenue royalty calculated at 70% of on-block volumes
    - 5% on first 12mmbbls
    - 4% on subsequent 13 mmbbls
    - 2% on next 10 mmbbls

## **Highly accretive acquisition and control for JOG**

- Adds c.US\$160m NPV to GBA project value and over c.\$500m of post tax cashflow
- Operatorship ensures development alignment with GBA
- Verbier is a 6km high margin tie-back to Buchan
  - ▶ Low Capex and Opex
- Adds material oil resources to JOG
  - ▶ 17.5 mmboe discovered oil volumes from Verbier
  - ▶ c.120 mmboe of exploration upside
- Increases ownership of an asset JOG knows intimately and simplifies ownership structure ahead of farmout process

# Highly attractive economics



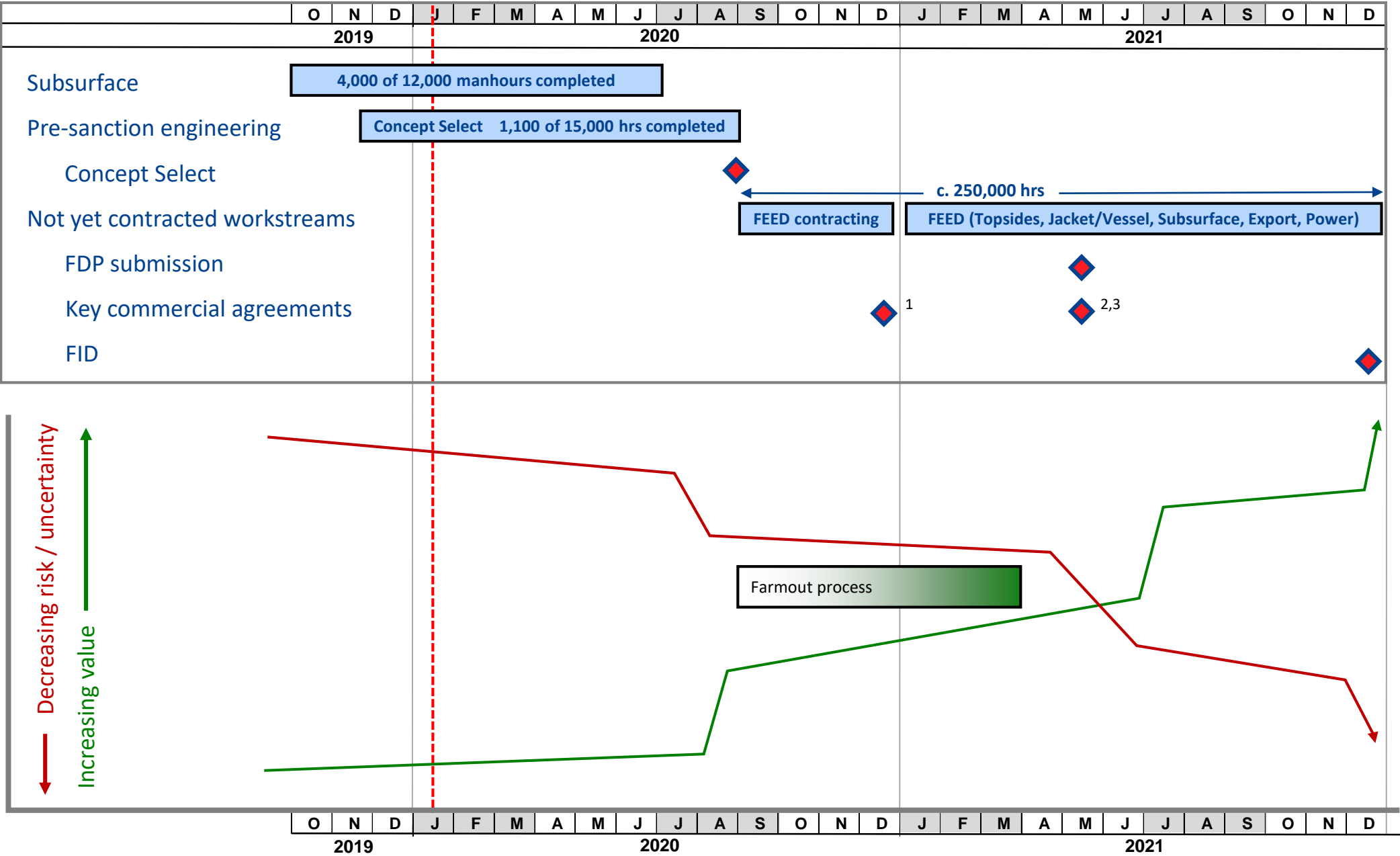
| Case                   | Total Revenue (US\$m) | Post-Tax Cash Flow (US\$m) | Pre-Tax NPV10 (US\$m) | Post-Tax NPV10 (US\$m) | Economic volume (mmboe) | Value (US\$/boe) | NAV/Share (£/Share) |
|------------------------|-----------------------|----------------------------|-----------------------|------------------------|-------------------------|------------------|---------------------|
| Rockflow CPR Oct'19    | 7,449                 | 2,668                      | 1,319                 | 988                    | 90.7                    | 10.89            | 36.21               |
| Verbier (70%)          | 1,374                 | 506                        | 259                   | 162                    | 17.3                    | 9.35             |                     |
| <b>Total JOG Today</b> | <b>8,823</b>          | <b>3,174</b>               | <b>1,578</b>          | <b>1,150</b>           | <b>108.0</b>            | <b>10.65</b>     | <b>42.16</b>        |

Notes: Rockflow CPR is for 100% of Buchan, Buchan Andrew, J2 and 18% of Verbier conducted at a price of \$62.50/bbl and £4.80/MMBTU escalated at 2% per annum from 2020  
 "Total JOG Today" Values and Volumes are net attributable to JOG, for P2498 (100%) and P2170 (88%)  
 The Executive Summary of the full Rockflow CPR has been published on [www.jerseyoilandgas.com](http://www.jerseyoilandgas.com) – please see this for more comprehensive disclosures.

# GBA development project on schedule

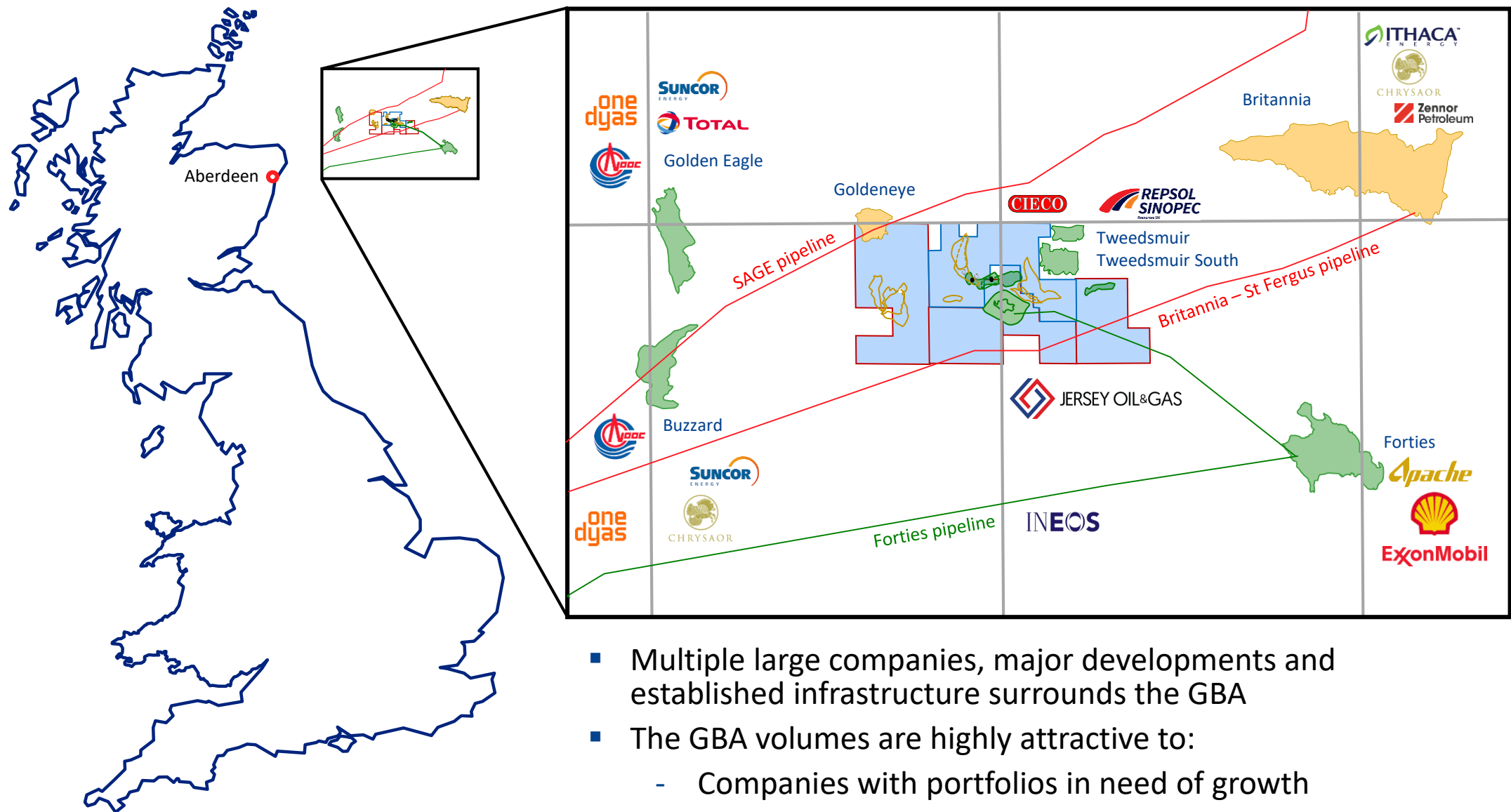
Cash balance of £12m – 31/12/2019

2020 budget £10m – assuming FEED commences Sep 2020



1) Power import/export, 2) Oil export, 3) Gas export

# The GBA sits in the heart of the Central North Sea



- Multiple large companies, major developments and established infrastructure surrounds the GBA
- The GBA volumes are highly attractive to:
  - Companies with portfolios in need of growth
  - Infrastructure in need of additional throughput

# Organisation Chart - Board, Corporate & Project Team for Concept Select

## Board of Directors



**Andrew Benitz**  
CEO



**Ron Lansdell**  
COO



**Vicary Gibbs**  
CFO



**Marcus Stanton**  
Chairman



**Frank Moxon**  
Non-Exec

## Corporate



**David Larcombe**  
Engineering & Commercial



**Martin David**  
Exploration & Licences



**Dr Nasser Bani Hassan**  
Principal Geoscientist



**Rebecca Smith**  
Financial Controller

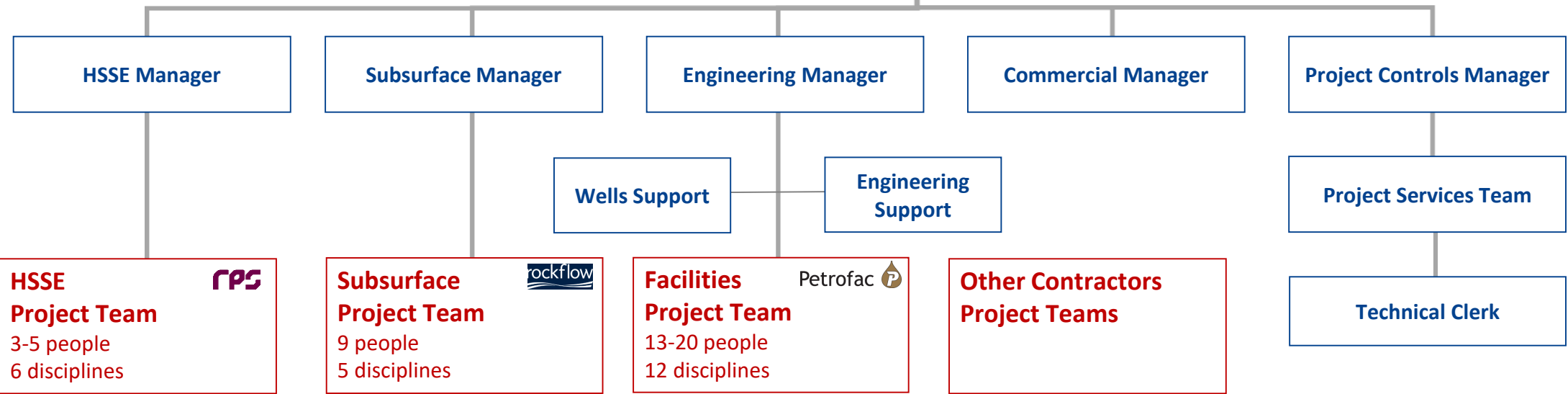


**Ella Waite**  
Sustainability & Environment



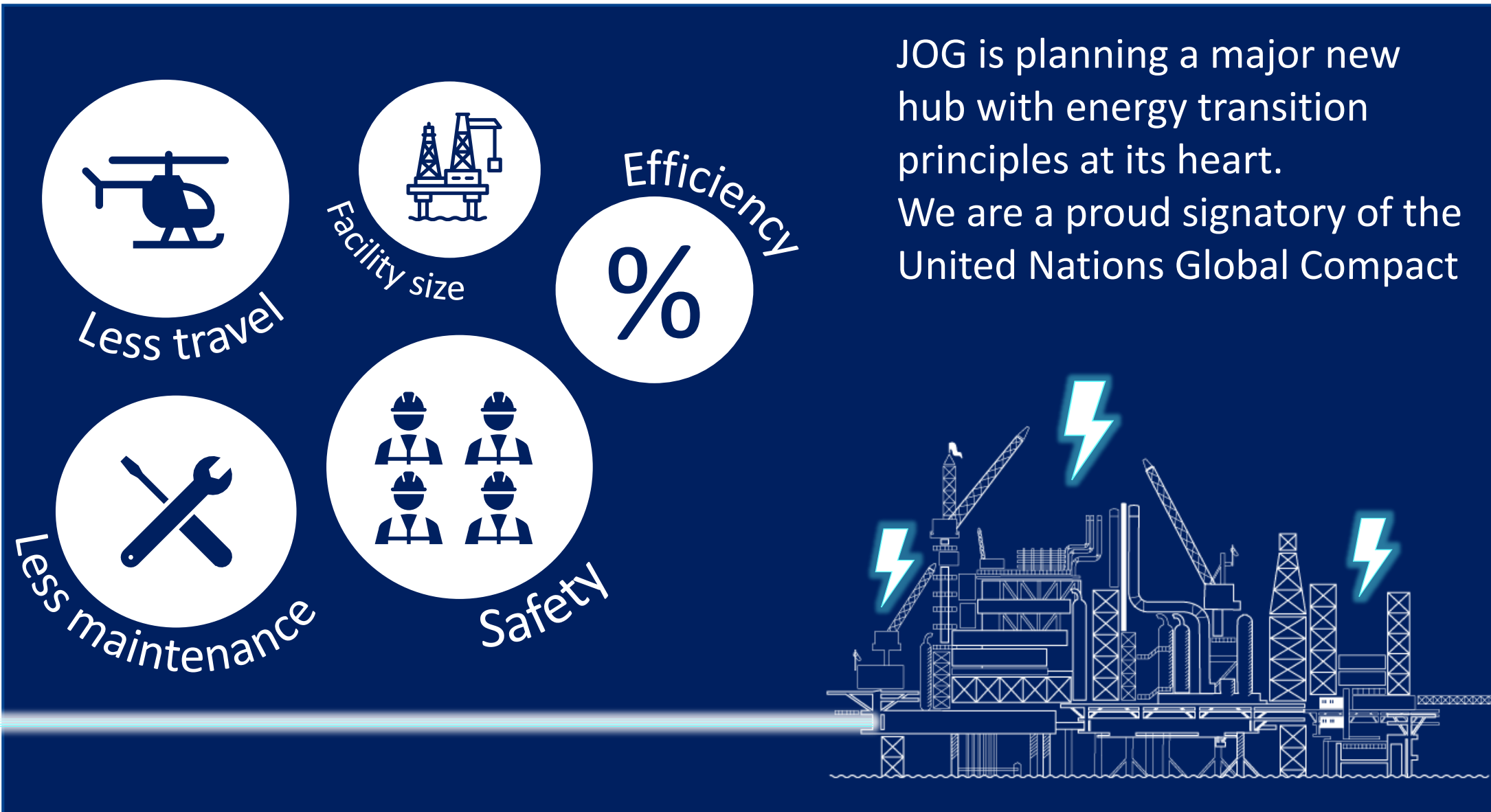
**Sean Rush**  
Legal Counsel

**Stephen Kirby**  
Project Manager



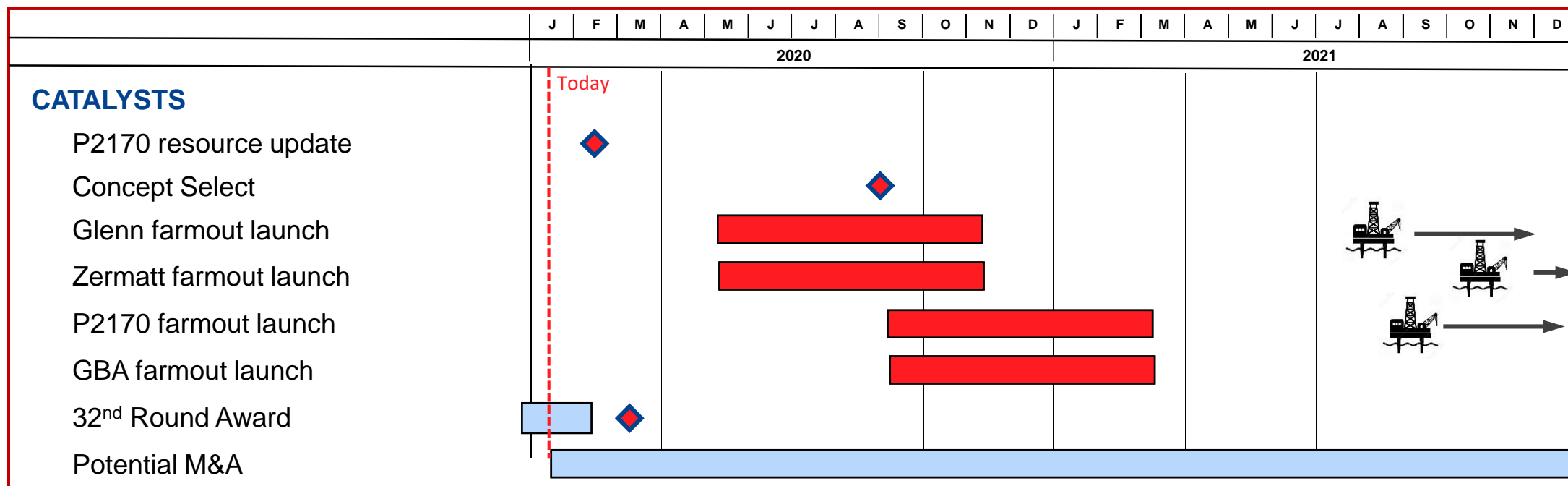
Capability and capacity to deliver our development plans





It is our vision to provide cleaner, safe energy in the most responsible way

# Multiple catalysts through 2020



## Assets (Licences):

Buchan & J2, Buchan Andrew, Capri (P2498)

Verbier, Verbier North, Verbier Deep, Cortina, Wengen (P2170)

Glenn (P2499)

Zermatt, Courchevel, Chamonix (P2497)

## Potential M&A

On-going reviews of potential acquisitions

Focus on deals that de-risk future funding needs

Any production deal requires shareholder approval

## Farmout constructs seek:

Back costs plus work programme carry on Buchan and J2

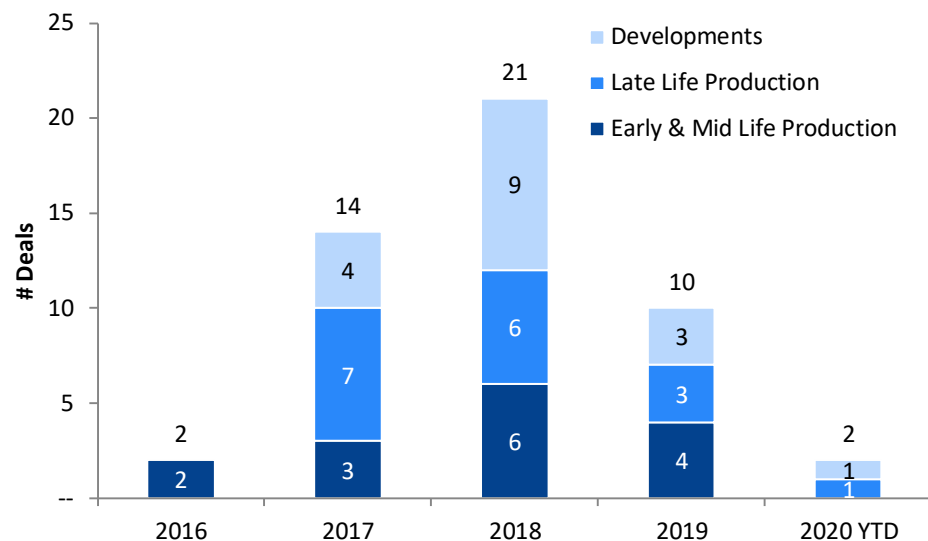
Exploration well carry on Zermatt

Appraisal well carry on Glenn

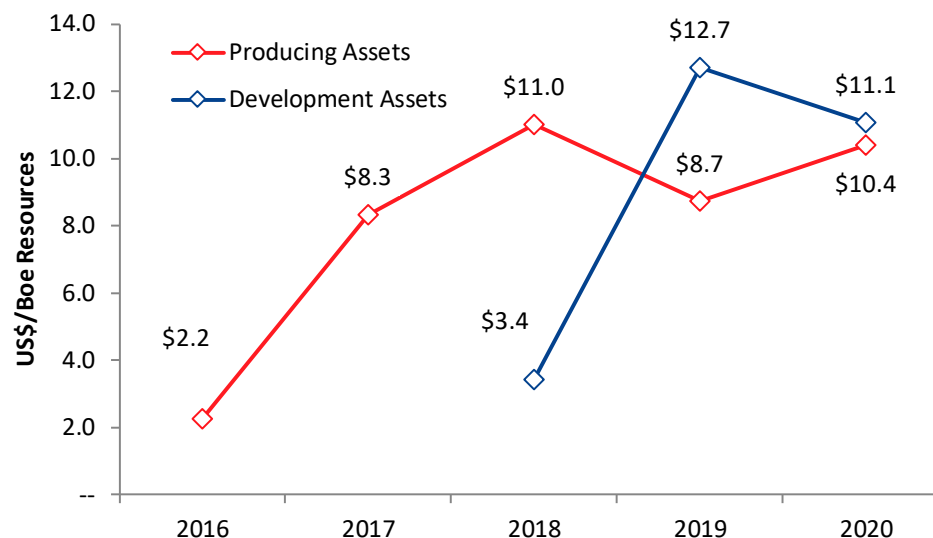
Exploration and Appraisal well carries on P2170

## Demand for development assets continues as UK operators seek growth

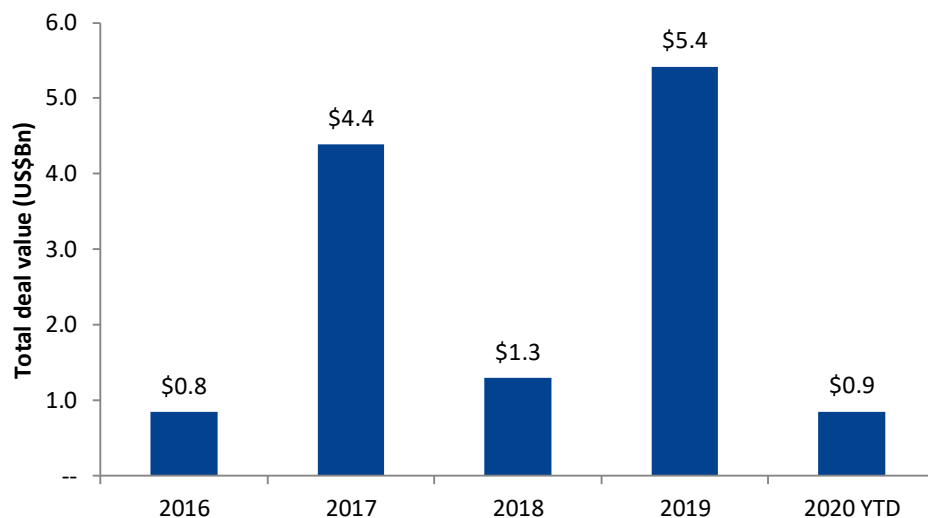
UKCS M&A transactions by asset type



UKCS M&A valuations<sup>(1)</sup>



UKCS M&A transactions: total value



### SELECT RECENT BUYERS OF UKCS ASSETS



Source: Wood Mackenzie M&A Service (13 January 2020), (1) Excludes transactions with negative deal value (Rockrose / Marathon) and outliers (Verus Petroleum / Itochu - \$38.9/BOE)

\* Buyers of UKCS development assets (2016 – 2020)

## Jersey Oil & Gas

- Over the last 4 years JOG has built a highly attractive E&P portfolio in the UKNS
- More than 140 mmboe of discovered oil and 200+ mmboe of exciting exploration potential - post acquisition
- Progressing a major new development in the Greater Buchan Area
- US\$1.2bn NPV portfolio in a highly attractive part of the CNS

## Key 2020 activity

- Deliver Concept Select
- Commence Greater Buchan Area farmout process(es) to deliver largest funding component of GBA development costs
- Contract key Front-End Engineering Design (“FEED”) suppliers/contractors

## Acquisition

- JOG is acquiring an additional 70% interest and operatorship in Licence P2170 including the Verbier oil discovery:
  - an increase of 17.5 mmboe
  - multiple high impact exploration opportunities
- Simplifies ownership structure ahead of farmout process

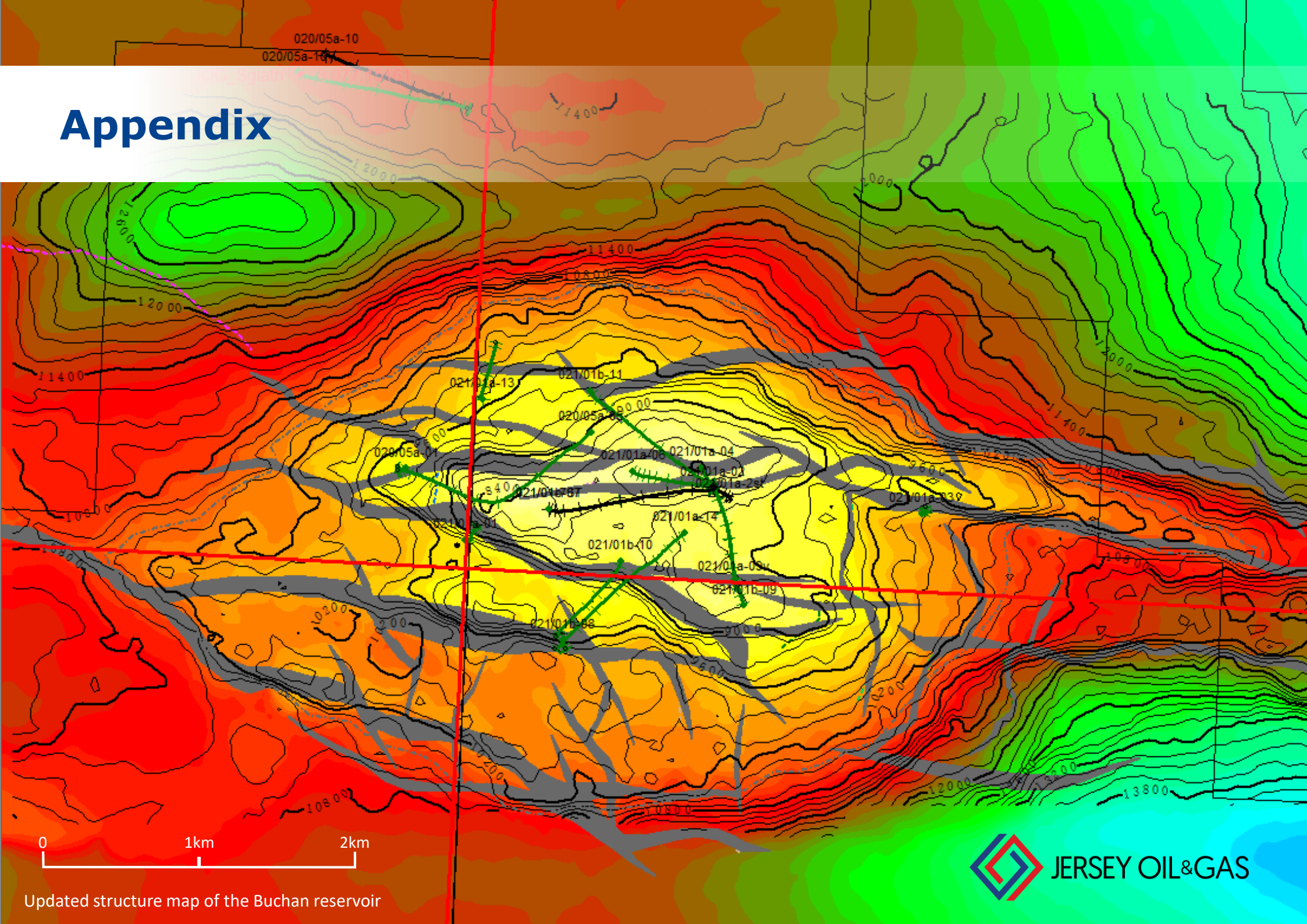


# Appendix

0 1km 2km

Updated structure map of the Buchan reservoir

JERSEY OIL&GAS



## **JOG has worked on Buchan & J2 from 2017**

- Post Verbier discovery JOG has been focused on building an expanded core area

## **31SLR application**

- JOG conducted in-depth subsurface and facilities engineering studies
  - ▶ Validated resource volumes and production viability
  - ▶ Historical production data and re-development studies used
- Developed area hub development plan
  - ▶ Collaboration with area stakeholders undertaken
  - ▶ Investigation made into applicable technologies
  - ▶ Ensured alignment with OGA MER UK strategy and goals
  - ▶ Submitted winning application - 100% JOG

## **Post licence award**

- Built JOG project management team to ensure project delivery
- Launched Concept Select
- Engaged in commercial negotiations with area stakeholders
- Commenced early stage farm-out preparations

- **Buchan main reservoir**
  - ▶ Seismic interpretation
    - Structural framework
    - Depth conversion
  - ▶ Reservoir geology
    - Core analysis
    - Fracture modelling
    - Well planning
  - ▶ Petrophysics
    - Representative well evaluation
  - ▶ Reservoir Modelling
    - Static
    - Dynamic
- **Gas disposal study**
- **J2 reservoir**
  - ▶ Seismic interpretation
  - ▶ Reservoir correlation
  - ▶ Petrophysical analysis
- **Andrew reservoir**
  - ▶ Depth conversion and volumetrics
- **Enhanced Oil recovery (EOR)**

## Progress:

complete  
complete

complete  
complete  
May 2020 on schedule

complete

ongoing - 60% complete  
ongoing - 60% complete

complete

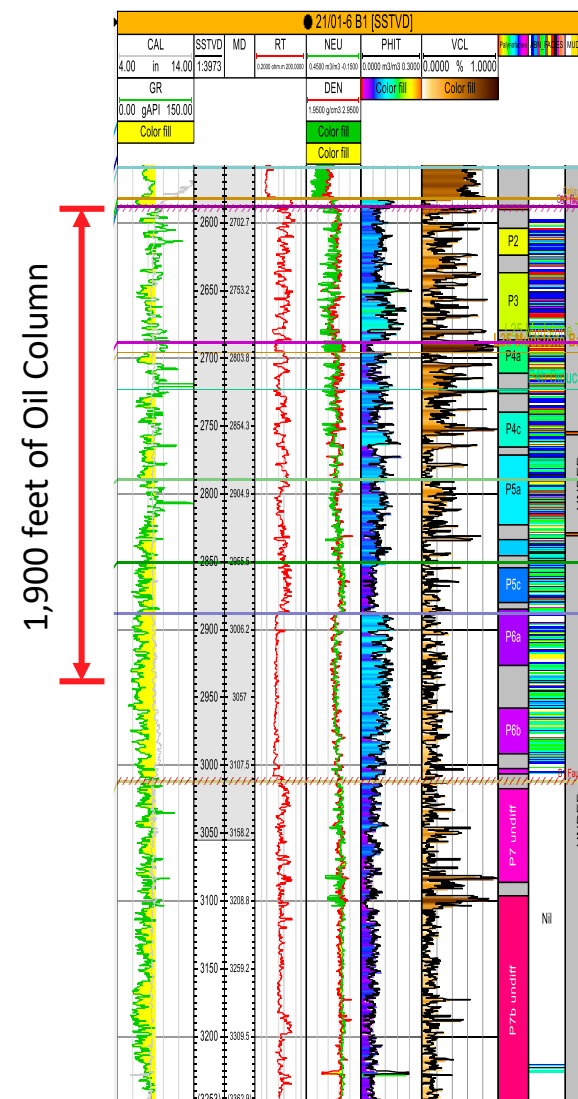
Ongoing

Ongoing

Ongoing

January

Pending contract award



**Petrophysical well log evaluation**

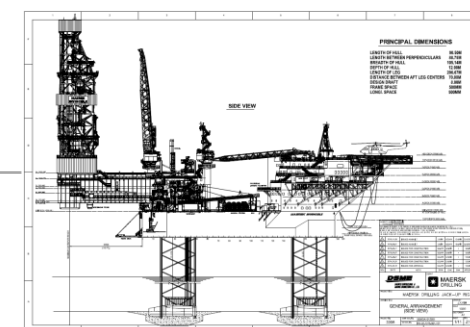
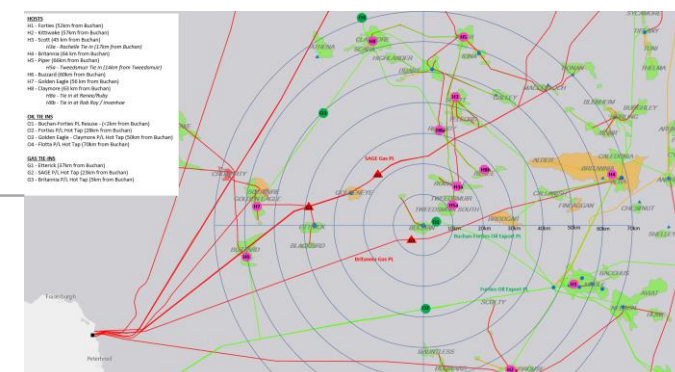
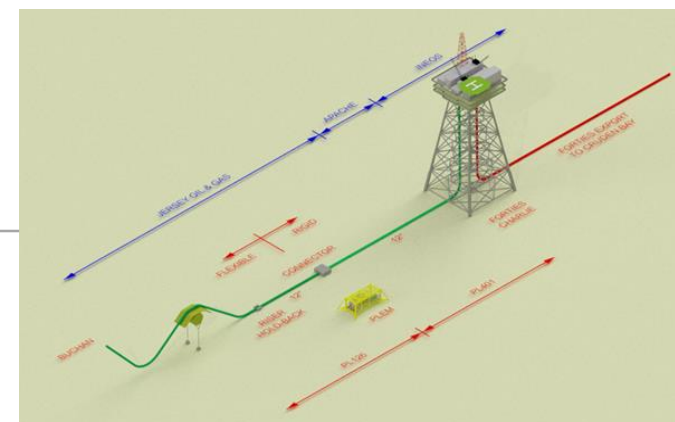
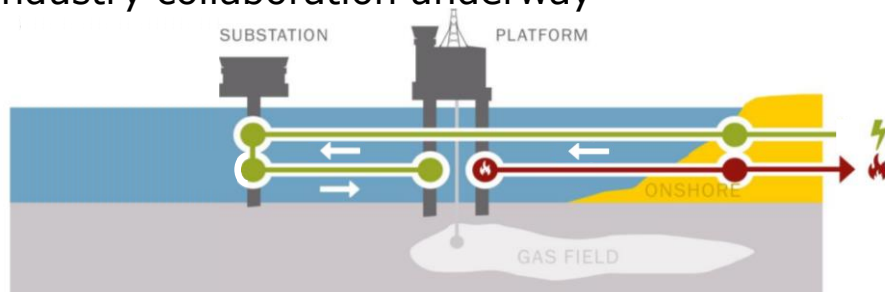
## Comprehensive subsurface work complete /on track

## Petrofac

- Project Execution & Quality Plan issued
- Pipeline Re-Use
- Export route screening
- Concept development commenced
- Initial rig availability review conducted
- Preliminary Drill Centre assessment commenced



- Platform electrification study - Supporting energy transition to a low carbon future
  - ▶ Commercial evaluation progressing
  - ▶ Industry collaboration underway



Comprehensive facilities work on track



The information contained in this document (the "Corporate Presentation") has been prepared by Jersey Oil and Gas Plc ("JOG"). JOG is a UK company quoted on AIM, a market operated by London Stock Exchange plc. This Corporate Presentation has not been fully verified and is subject to material updating, revision and further verification and amendment without notice. This Corporate Presentation has not been approved by an authorised person in accordance with Section 21 of the Financial Services and Markets Act 2000 (as amended) ("FSMA") and therefore it is being provided for information purposes only.

While the information contained herein has been prepared in good faith, neither JOG nor any of its directors, officers, agents, employees or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Corporate Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as "Information") and liability therefore is expressly disclaimed. Accordingly, neither JOG nor any of its directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Corporate Presentation.

The views of JOG's management/directors and/or its partners/operators set out in this document could ultimately prove to be incorrect. No warranty, express or implied, is given by the presentation of these figures here and investors should place no reliance on JOG's or any operator's estimates cited in this document.

No assurance can be given that hydrocarbon resources and reserves reported by JOG, will be recovered at the rates estimated or that they can be brought into profitable production. Hydrocarbon resource and reserve estimates may require revisions and/or changes (either up or down) based on actual production experience and in light of the prevailing market price of oil and gas. A decline in the market price for oil and gas could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources. There are uncertainties inherent in estimating the quantity of resources and reserves and in projecting future rates of production, including factors beyond JOG's control. Estimating the amount of hydrocarbon resources and reserves is an interpretive process and, in addition, results of drilling, testing and production subsequent to the date of an estimate may result in material revisions to original estimates. Any hydrocarbon resources data contained in this document are unaudited management estimates only and should not be construed as representing exact quantities. The nature of reserve quantification studies means that there can be no guarantee that estimates of quantities and quality of the resources disclosed will be available for extraction. Therefore, actual production, revenues, cash flows, royalties and development and operating expenditures may vary from these estimates. Such variances may be material. Any reserves estimates contained in this document are based on production data, prices, costs, ownership, geophysical, geological and engineering data, and other information assembled by JOG (which it may not necessarily have produced). The estimates may prove to be incorrect and potential investors should not place reliance on the forward looking statements contained in this document concerning JOG's resources and reserves or potential production levels. Hydrocarbon resources and reserves estimates are expressions of judgement based on knowledge, experience and industry practice. They are therefore imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate. Accordingly, two different independent parties may not necessarily arrive at the same conclusions. The views of management/directors as set out in this document could ultimately prove to be incorrect. Estimates that were reasonable when made may change significantly when new information from additional analysis and drilling becomes available.

This Corporate Presentation may contain "forward-looking statements" that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding JOG's intentions, beliefs or current expectations concerning, among other things, JOG's results of operations, performance, financial condition, prospects, growth, strategies and the industry in which JOG operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as of the date of this Corporate Presentation and JOG does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Corporate Presentation. This Corporate Presentation should not be considered as the giving of investment advice by JOG or any of its directors, officers, agents, employees or advisers. In particular, this Corporate Presentation does not constitute or form part of any offer or invitation to subscribe for or purchase any securities and neither this Corporate Presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purpose whatsoever on the information or opinions contained in these slides or the Corporate Presentation or on the completeness, accuracy or fairness thereof. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and each recipient should satisfy itself in relation to such matters.

Neither this Corporate Presentation nor any copy of it may be (a) taken or transmitted into Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or the United States of America (each a "Restricted Territory"), their territories or possessions; (b) distributed to any U.S. person (as defined in Regulation S under the United States Securities Act of 1933 (as amended)) or (c) distributed to any individual outside a Restricted Territory who is a resident thereof in any such case for the purpose of offer for sale or solicitation or invitation to buy or subscribe for any securities or in the context where its distribution may be construed as such offer, solicitation or invitation, in any such case except in compliance with any applicable exemption. The distribution of this document in or to persons subject to other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.