



**A successfully growing
EUROPEAN INVESTMENT
COMPANY**

Corporate
presentation

Q1 2019



This Presentation does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever or constitute an invitation or inducement to engage in investment activity under section 21 of the UK Financial Services and Markets Act 2000.

No representation or warranty, express or implied, is made or given by or on behalf of the Company, its advisers or any of their respective parent or subsidiary undertakings or the subsidiary undertakings of any such parent undertakings or any of the directors, officers or employees of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this Presentation and no responsibility or liability is accepted by any person for such information or opinions. No person has been authorised to give any information or make any representations other than those contained in this Presentation and, if given and/or made, such information or representations must not be relied upon as having been so authorised. The contents of this Presentation are not to be construed as legal, financial or tax advice. The information has not been verified nor independently verified by the Company's advisers and is subject to material updating, revision and further amendment.

Forward-Looking Statements. Information contained in this Presentation may include 'forward-looking statements'. All statements other than statements of historical facts included herein, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's business) are forward-looking statements.

Such forward-looking statements are based on a number of assumptions regarding the Company's present and future business strategies and the environment in which the Company expects to operate in future. Actual results may vary materially from the results anticipated by these forward-looking statements as a result of a variety of factors. These forward-looking statements speak only as to the date of this Presentation and cannot be relied upon as a guide to future performance. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained in this Presentation to reflect any changes in its expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

The Company's ordinary shares have not been registered under the US Securities Act of 1933, as amended (the **Securities Act**) and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act. No public offering of the ordinary shares is or will be made in the United States. In addition, the Company's ordinary shares have not been and will not be registered under the applicable laws of Australia, Canada, Japan and South Africa and, subject to certain exceptions, may not be offered or sold within Australia, Canada, Japan or South Africa or to any national, resident or citizen of Australia, Canada, Japan or South Africa.

AIM traded oil and gas investment company focused on high impact onshore European opportunities with short timelines to production



Proven team

- Highly experienced team with proven value creating credentials
- CEO's last two Companies were sold to industry with Peppercoast achieving a 6x return
- Record price for an exploration block offshore West Africa in a pre discovery nation
- Similarly NEDs instrumental in growing Pan Ocean from \$20m to \$1.4bn sale



Unlocking value

- Diversified portfolio assembled
- Risk managed
- Multiple routes to significant shareholder value growth
- Have been and will continue to be very active in searching for new projects



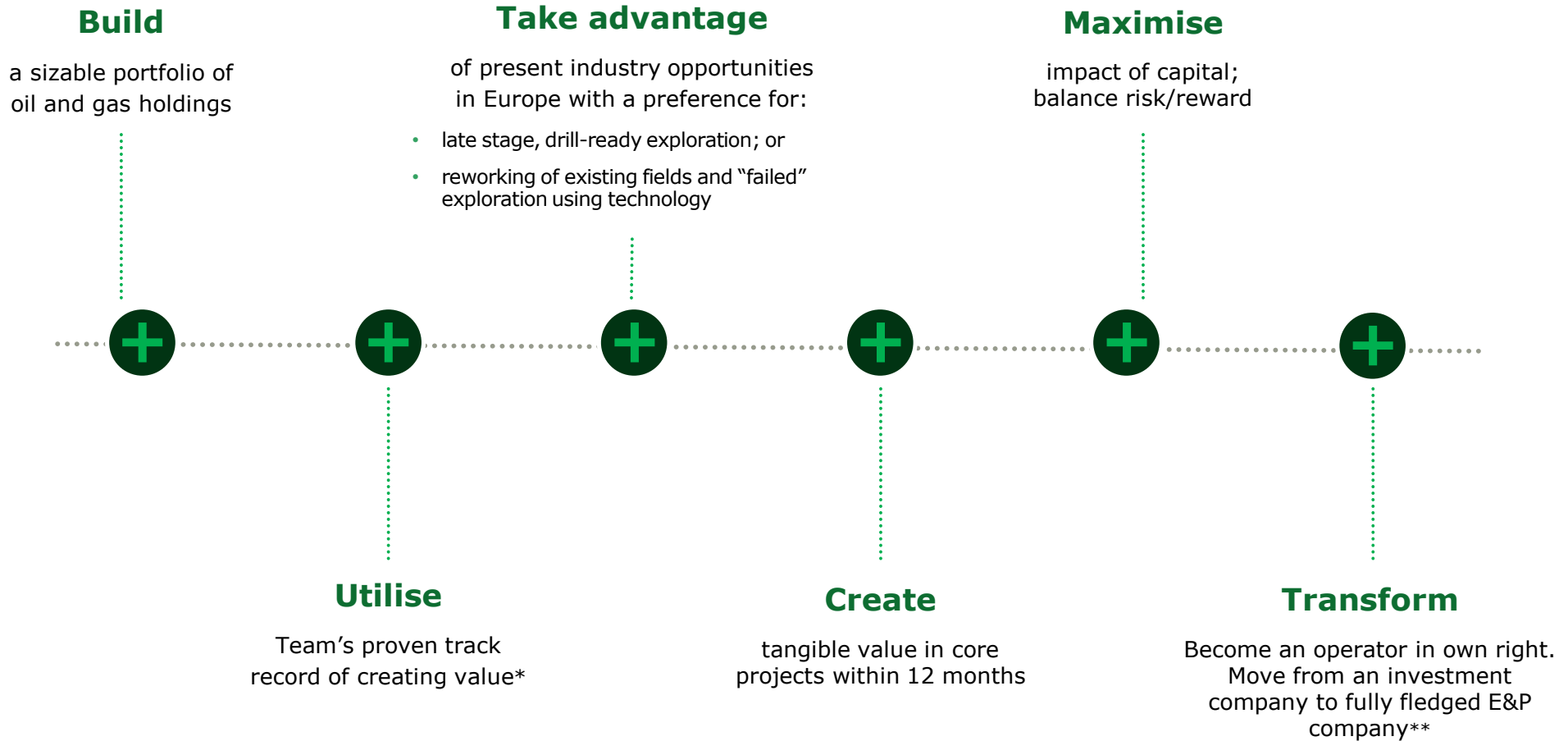
Revenue Generative

- Maiden Reserves
- Significant Increase in Production Due in 2020
- Presently trading at a big discount to brokers risked fair value 1.8p
- Potential NPV if successful is huge (>€0.4Bn)



European focused

- Mature Markets
- Existing Infrastructure easy to utilise
- Host nations desire to reduce foreign dependency
- Stable politically, rule of law applies



Focused on the Foredeep play, which offers multi-production potential

Romania

50% Interest in 980 sq km Exploration Area of the Suceava Concession

Includes the Bainen gas field that commenced production in September 2018, the Granicesti SE-1 discovery, and drill ready prospects and leads

Italy

17% Interest in Podere Gallina Exploration Permit

Includes Selva Discovery on target for production in 2020. Company's first maiden reserves. Start up revenue est €2.0m per year (Net). Multiple follow on targets one similar size one double the size

Spain

15% Interest with the right to acquire up to 49.9% in Tesorillo Project

Contains the Almalchal gas discovery. Assigned gross unrisks Prospective Resources of 830 Bcf and upside of over 2 Tcf In CPR

Considered Risk Management:

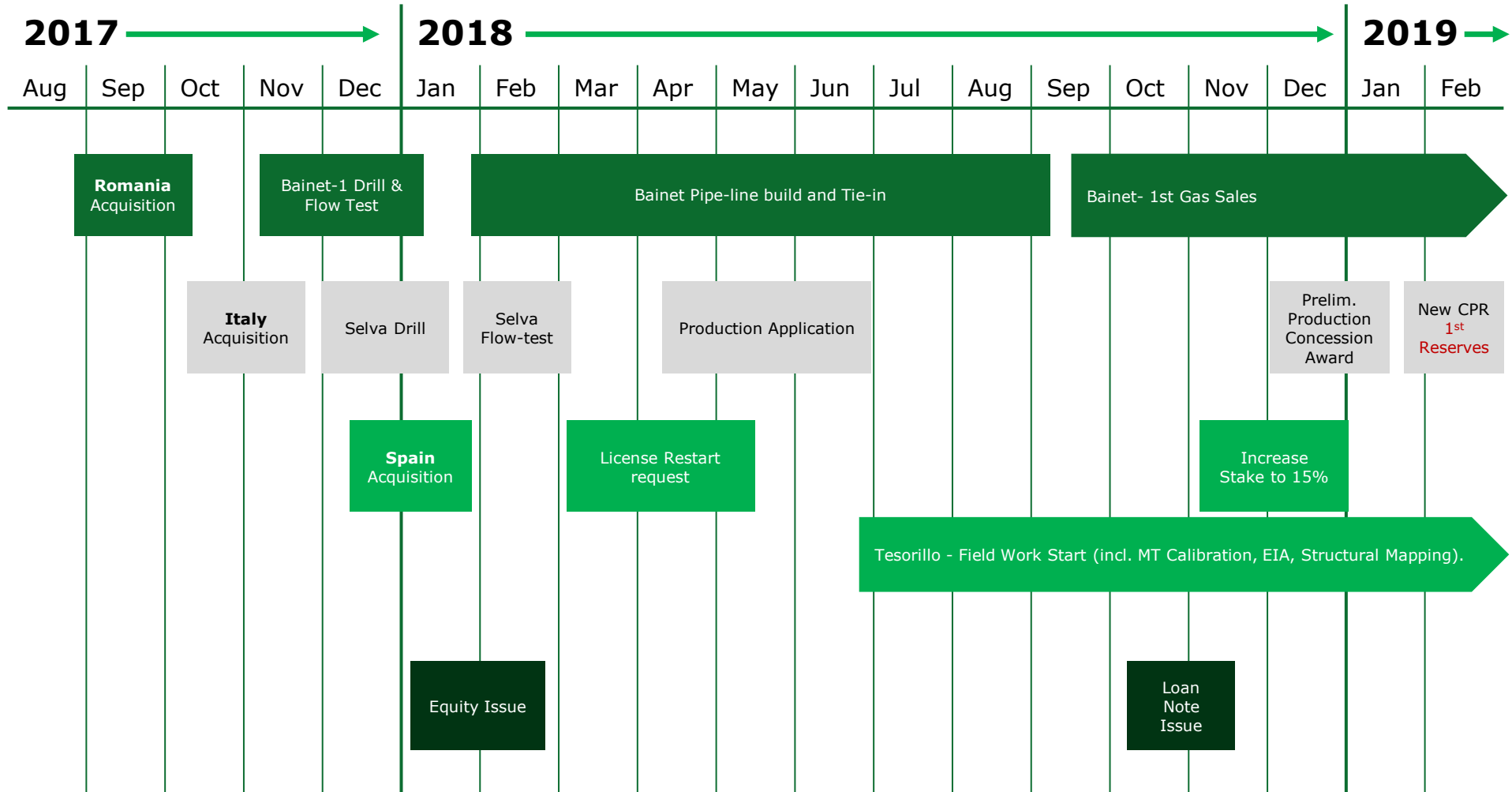
- Not beholden to one Government, spread of political risk
- Short time frames to production e.g. Bainen, confidence in short and mid term markets
- Mix of project scales
- Multiple basins but geological similarity



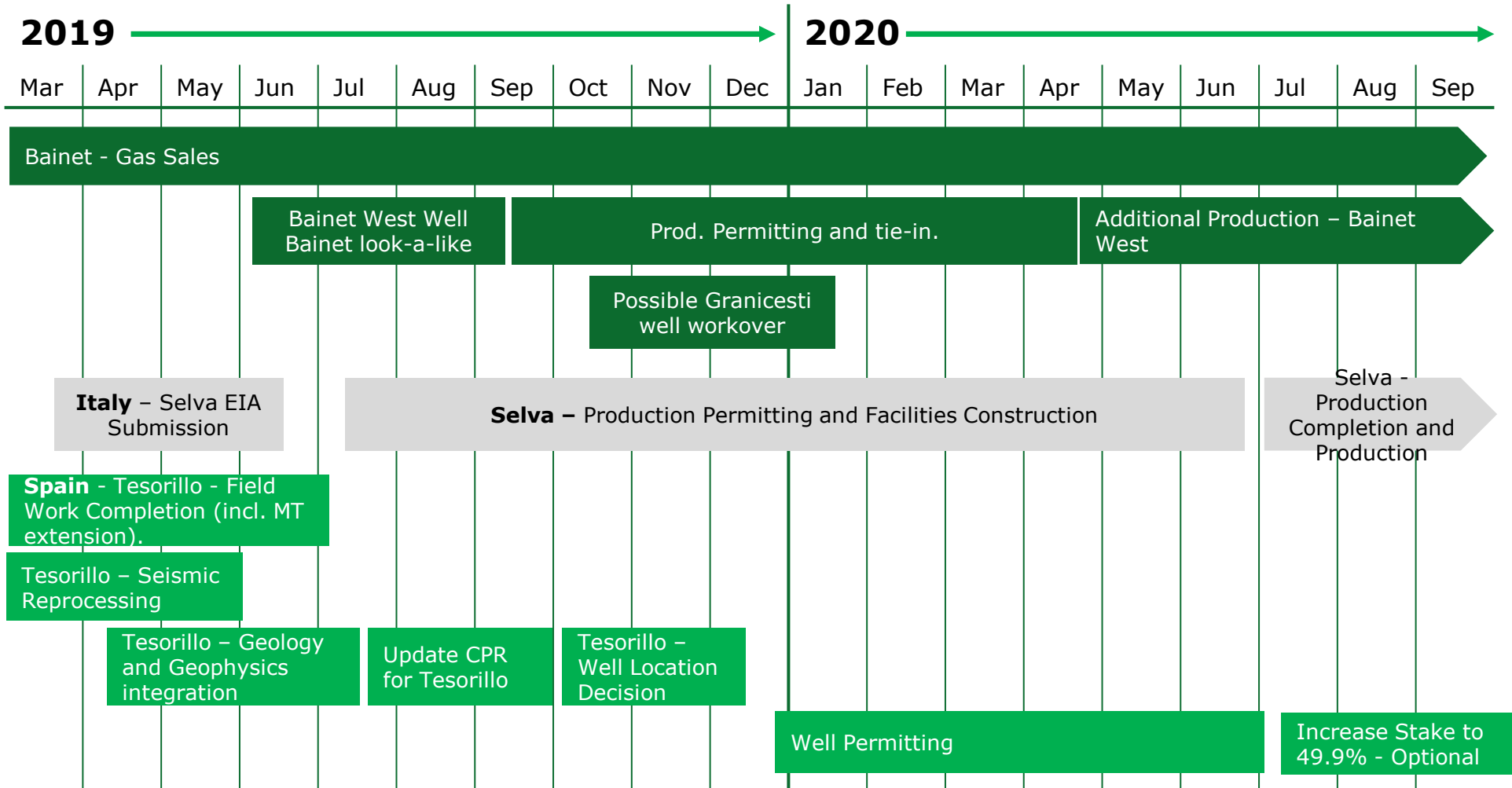
CPR Reserves and Valuations Demonstrate Deep Value

Current Portfolio	Gross Licence Acreage Km2	WI %	Appraised Reserves (2P) Bcf		Prospective Resources (Mid-Case) Bcf		Peterhouse Valuation (July2018) £millions
			Gross	Net	Gross	Net	
Producing Assets							
Romania. (EIV-1 Suceava License) Bainet Field (Bainet-1 well)	984	50%	1.2	0.6			1.70
Development Assets (Proven & Appraised)							
Romania. (EIV-1 Suceava License) Granicesti/SE1 (Work-over)		50%	0.48	0.24			tbd
Italy. (Podere Gallina License) Selva Gas Field (Podere Maiar 1 well)	507	17%	13.3	2.3			4.50
Unappraised							
Italy. (Podere Gallina License) Fond Pierino East Selva		17%			14.6 34.8	2.5 5.9	3.20
					49.4	8.398	
Primary Exploration Targets (Not exhaustive)							
Romania. (EIV-1 Suceava License) Bainet West		50%			1.8	0.9	tbd
Spain. (Tessorillo and Ruedalabola Licenses) Almarchal/Tessorillo	380	15% Option to take to 49.9%			830	125/414	19.60
Totals	1871		14.98	3.1	881.2	134/423	29.00
Fair Value GBX (pence)/ Share:							1.80

18-Month Progress



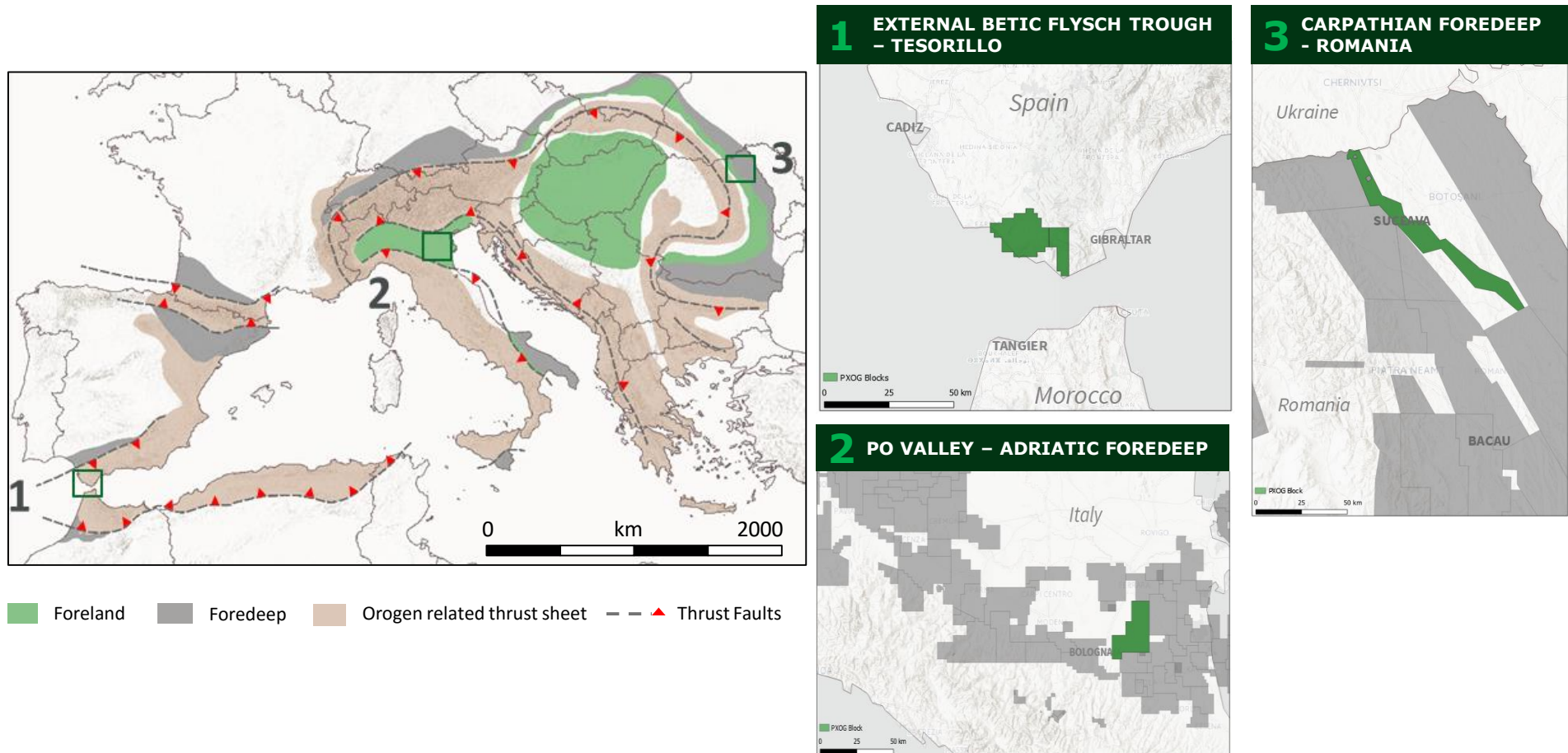
18-Month Outlook dates are illustrative



Foredeep/foreland play: regional tectonic play

Foredeep basins typically host Tertiary turbidite sandstone reservoirs at the foothills of the Alpine systems in central and southern Europe.

They are geologically young and therefore the reservoirs can be very shallow.



Romania: Suceava concession (50% WI)



Acquired a 50% interest in Suceava in August 2017

- Raffles Energy, an established gas producer in Romania, is the project operator



Location

- Close to other producing fields and infrastructure



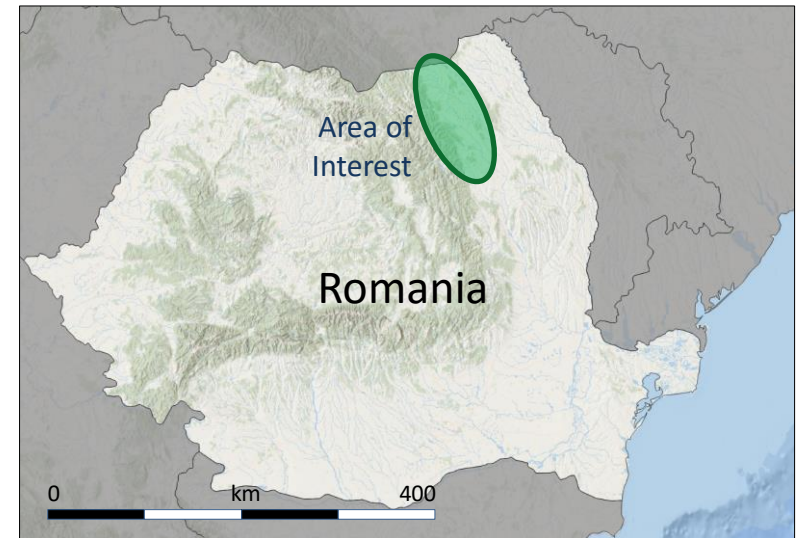
First Discovery and Production at Bainet

- Commenced production in September 2018
- Drilled and into production within 11 months
- Pre-drill Bainet was assigned internal gross prospective resources of ~1.5bcf recoverable
- Operator using 15,000scm/d average for 2019 budgeting purpose



Development

- Similar gas prospective areas / potential drilling targets currently being evaluated as part of forward development plan to scale up revenues

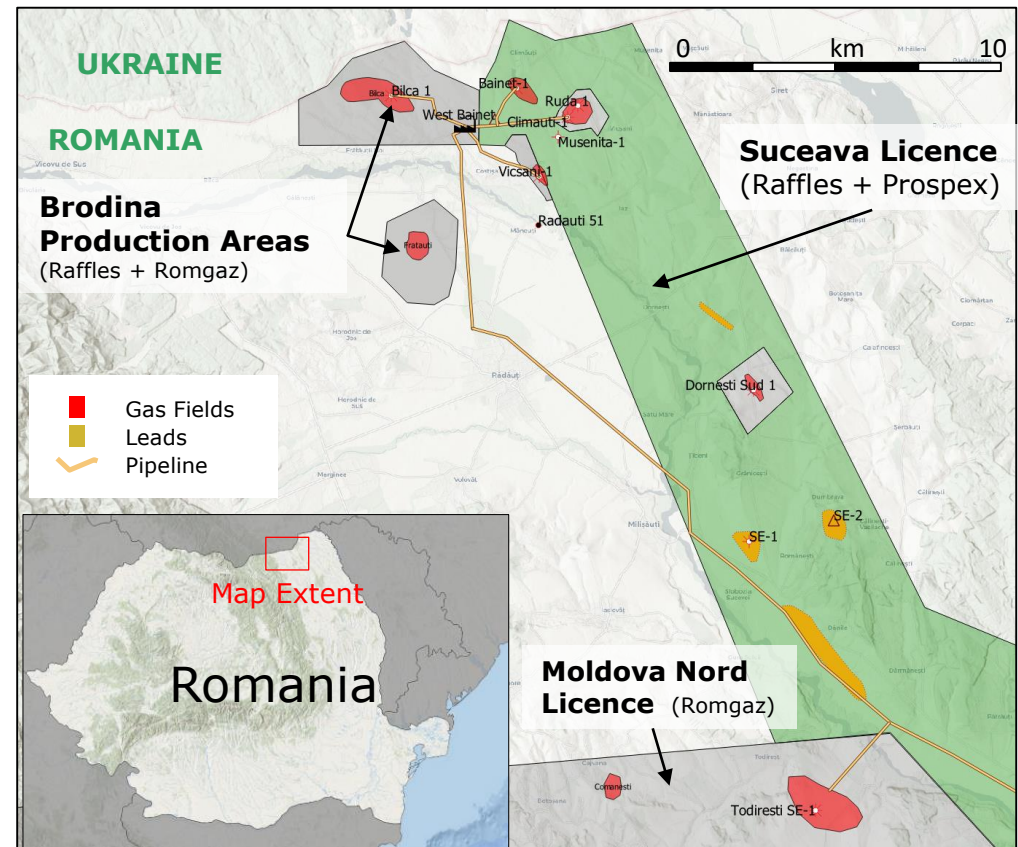


Bilca Gas Plant

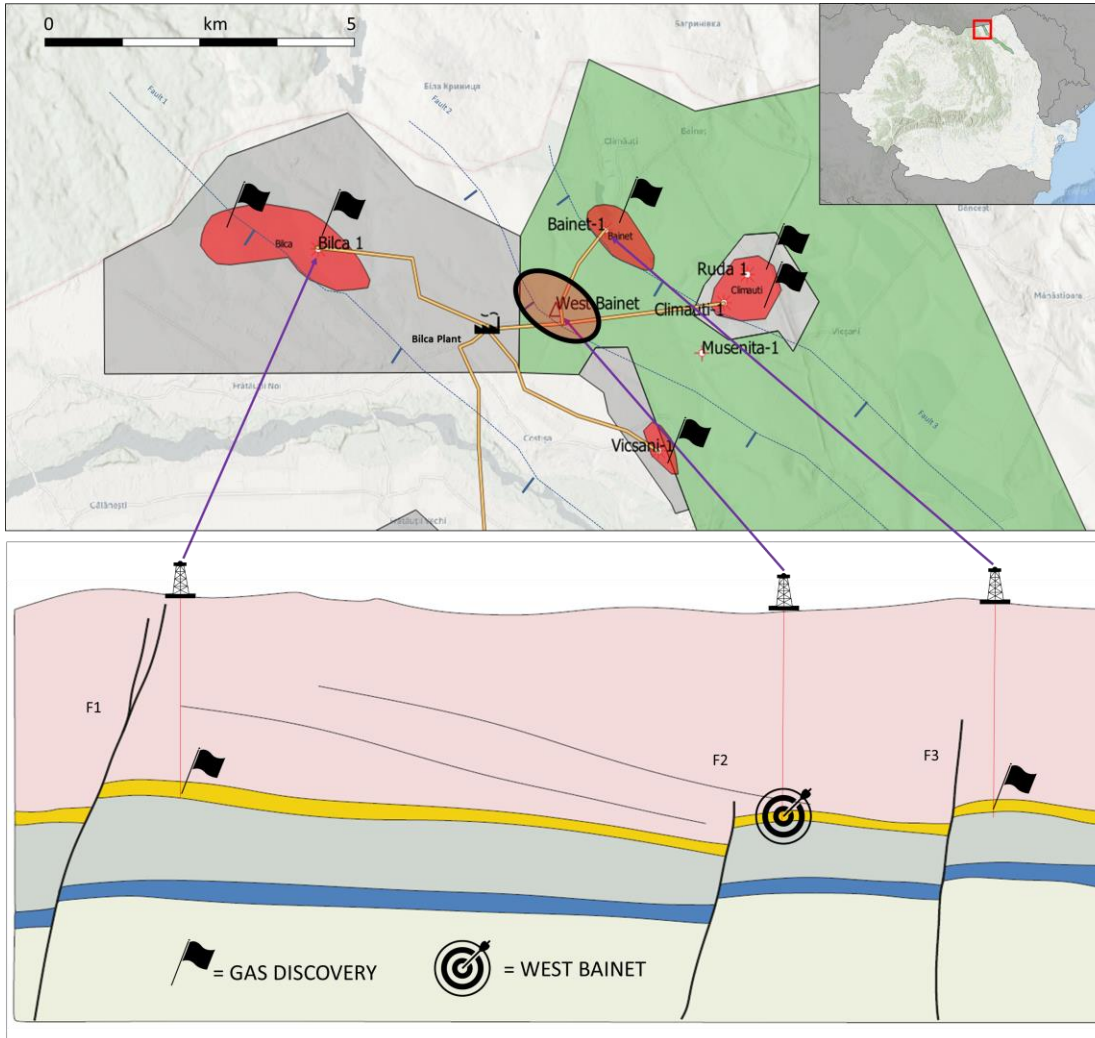
Romania: multiple prospects

Multiple gas prospective areas / potential drilling targets being evaluated as part of forward development plan to scale up revenues

- Bainet-1 drilled to a total depth of 600m and encountered 9m of reservoir with 8m of net gas pay in November 2017
- €800,000 (€400,000 net) to drill and tie back
- Natural gas containing over 99% methane
- Pipeline of low cost, low risk targets mapped on a 1,600km line 2D seismic grid, includes
- **Bainet West (Bainet Look alike)**
- **Grancesti SE-1 discovery:**
- Flowed at 1.2MMscf/d during limited short test from the Sarmatian reservoir at a depth of ~550m
- Lies 1.5km from a high-pressure pipeline grid operated by Transgaz
- Plan to workover and recomplate the well as a gas producer once land access secured



WEST BAINET PROSPECT



- ⊙ West Bagnet is a twin of Bagnet-1 on the next fault block. The position of the faults is indicated with dotted blue lines on the map and by the F1-F3 labels on the cartoon. The fault traces are highly schematic but clearly illustrate the trends in the area
- ⊙ West Bagnet is therefore situated between two known discoveries and in close proximity to the Bilca processing plant
- ⊙ Further to structural style, West Bagnet has a similar AVO response to both Bilca-1 and Bagnet-1. The reservoir sands are of the same lithology and age and are segmented by faults

Italy: Podere Gallina Permit (17% WI)



Farmed in Oct 2017, Acquired 17%

- Partners: PVE (63%) & United Oil & Gas plc (20%)



Location

- Prolific Po Valley region
- Short distance to existing gas grid



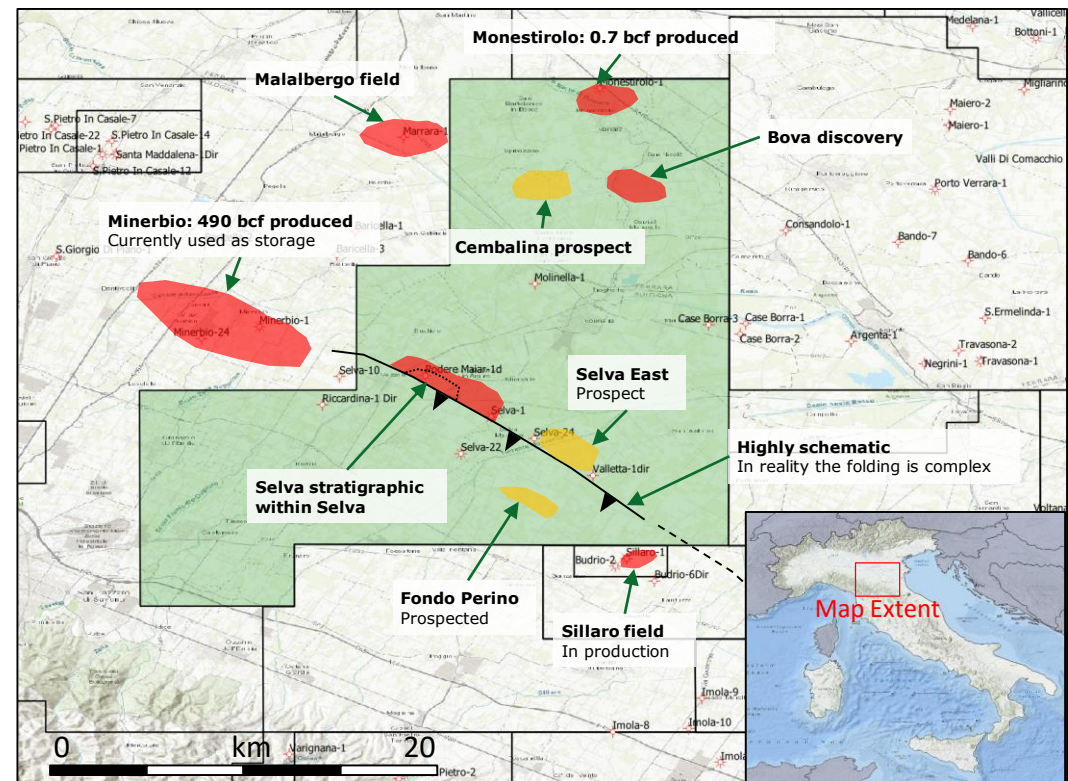
Selva Successfully Drilled up-dip

- Audited 13.3bcf of 2P Reserves in Selva. 2.3bcf Net to Prospex
- Further considerable permit potential: 7.0 to 11.1bcf NET prospective resources (Cembalina + Fondo Perino + East Selva)



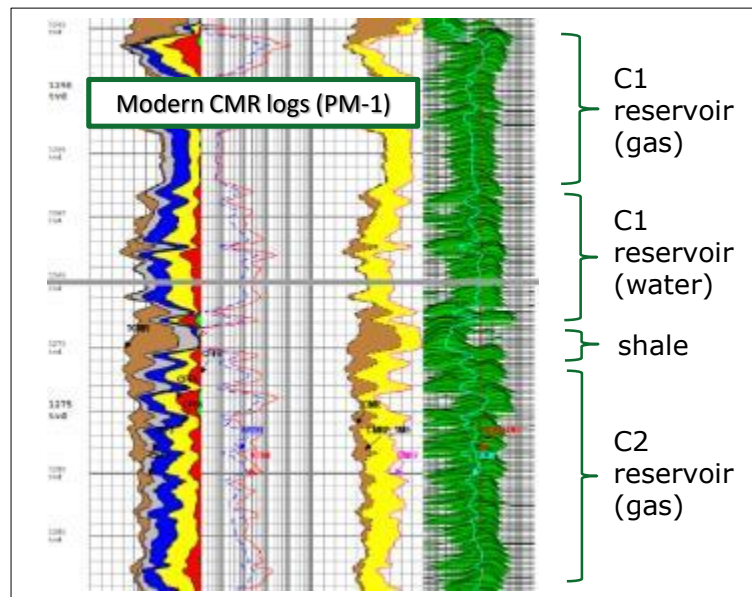
Development

- Production concession preliminary approved, unaffected by 2019 changes to Italian Exploration laws
- First phase production targeted to commence 2020



Italy: Podere Maiar well

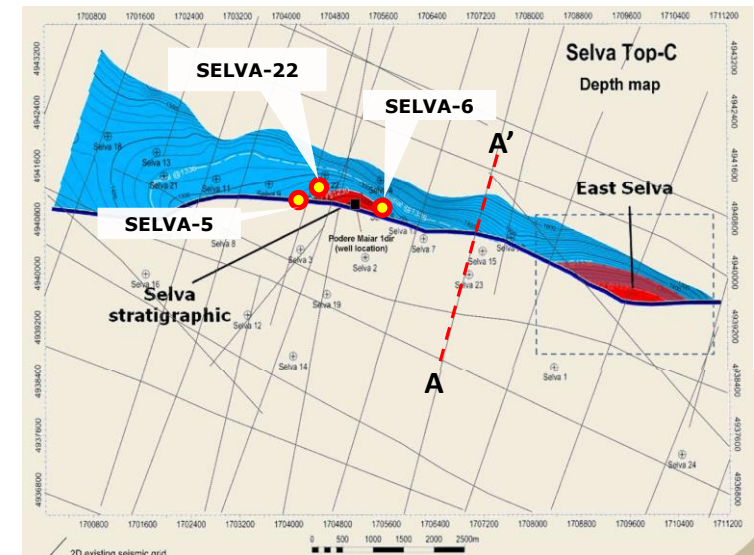
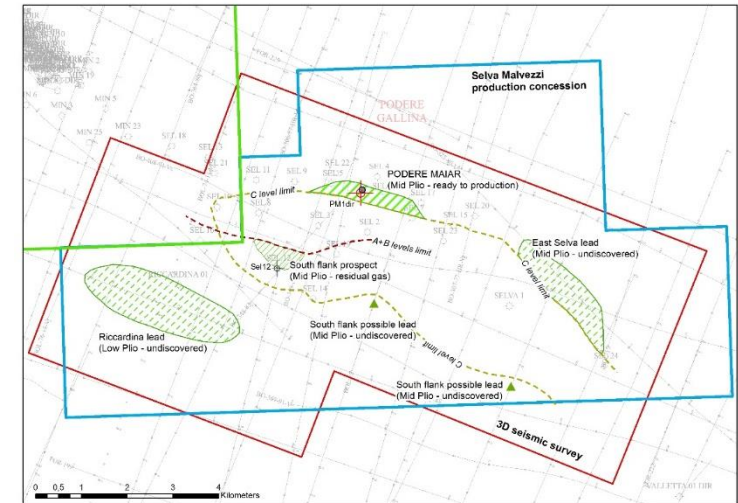
- Drilled into the attic gas of the shut in Selva Gas-Field (previously operated by ENI) in Dec 2017
- Two gas bearing sandstone reservoirs, C1 and C2, within the Porto Garibaldi Formation
- Total gross reservoir pay of 62m and net pay of 41m:
- C2 is expected to be the primary producer
- Completed for production – targeted to commence 2020 at a rate of up to 150,000 cubic metres (5.3 mmscf/day) a day
- Assuming €0.23/m³ and an annualised start up rate net of 150,000m³ per day Prospex net revenue is c.€2m
- Flow rates in testing well in excess of the pre-test target of 2.8mmscf/day



Interval	Top-Bottom (m TVD)	Perforation (m)	Flow Rates (3/8") mmscf/d	Porosity (%)
C1 (gas bearing)	1245-1260	2.5	4.5	35.5
C1 (water bearing)	1260-1268			35.5
Shale	1268-1276			N/A
C2 (gas bearing)	1276-1298	8.5	5.3	38.8
C2 (water bearing)	1298-1308			37.1

Italy: Substantial upside

- Further opportunities available inside and outside the proposed Production Concession area
- Opportunities inside the Production Concession not affected by 18 month moratorium on general exploration in Italy
- Successful wells in the production concession can be put on production quickly, benefit from the initial permitting work setting up the area
- Partners to shoot further 3D seismic to further delineate opportunities
- Strongest candidates are East Selva & Fondo Pierino
- East Selva assigned 35 bcf prospective resources, is on trend with Selva and Minnerbio fields
- Fondo Pierino 15 bcf



Spain: Tesorillo Project (up to 49% ownership)



Location

- Covers 38,000ha in a proven hydrocarbon region in the Cadiz Province of southern Spain
- Contains the Almarchal-1 gas discovery well



Resource

- CPR estimates gross unrisked Prospective Resources of 830bcf of gas (Best Estimate), with Upside in excess of 2 Tcf



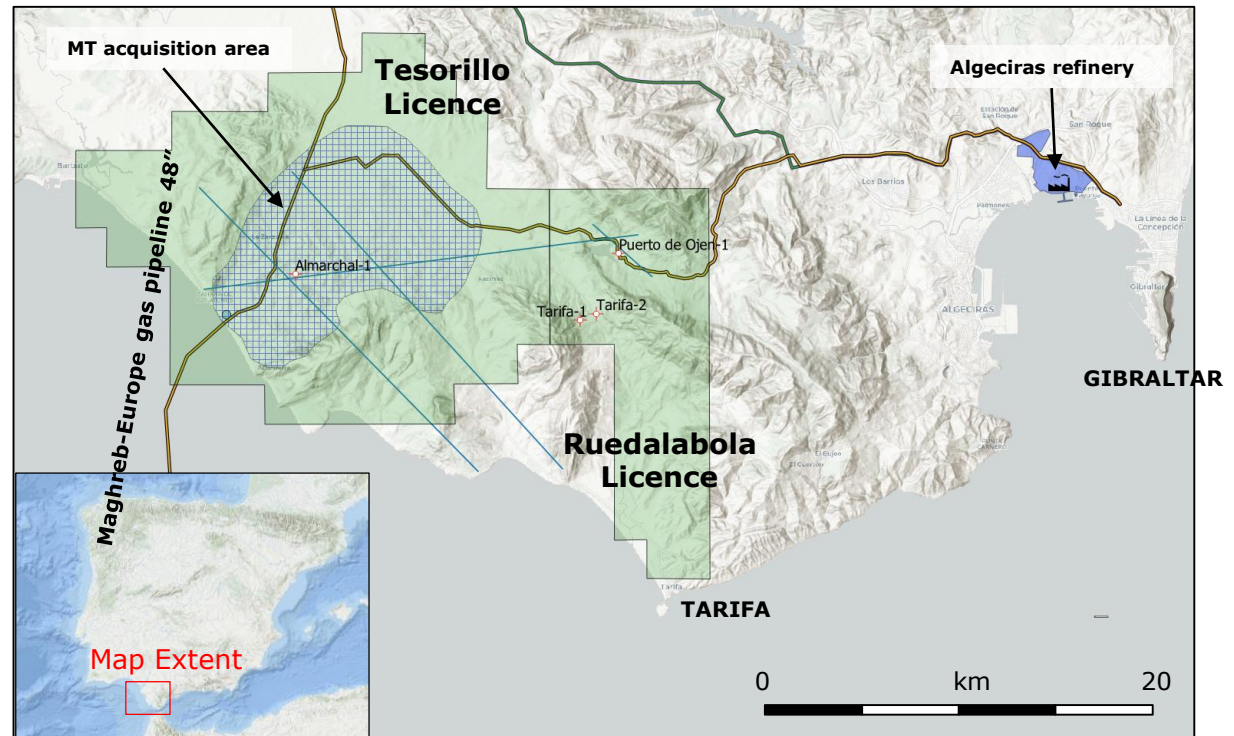
Development

- Multi-strand work programme underway to further delineate and de-risk the Project's prospectivity
- Excellent access to infrastructure: 3.9km from the North African Maghreb gas pipe line European landing point providing access to high priced European markets



Deal

- First Investment Dec 2017 increased stake to 15% in Dec 2018
- Option for a further 34.9% for €1,725,000 ahead of drilling a well



Spain: Almarchal-1 discovery well

- Almarchal-1 Drilled in 1956
- Drill-stem tests and log analysis confirm 48m of proven gas pay from two Miocene Aljibe Formation sandstone intervals at 1500m
- Further 492m of probable gas pay interpreted from logs
- Located on a seismically delineated thrust ramp anticline with closure area exceeding 70 km²
- Multi-tcf gas-in-place indicated in what is thought to be a large overlooked gas field
- 1957 Puerto de Ojen-1 well, 15km to the east in Ruedalabola licence, displayed similar gas shows to Almarchal-1
- Appears to be on a separate large thrust feature, but could not be tested for mechanical reasons



Spain: Company-making potential

The Company believes a modern well will demonstrate recoverable hydrocarbons in economic volumes

- 2018 programme to test known gas bearing sandstone sequences within a variant of the foredeep play that was successfully tested with two recent discoveries in Romania and in Italy
- In May 2015 Netherland Sewell and Associates independently certified an unrisks Prospective Resource of 830 Bcf of gas (best estimate) with upside of over 2 TCF for the Tesorillo Project as outlined below:

Tesorillo	Prospective Resource BCF (Gross)	Original Gas In Place BCF (Gross)
Low Estimate (P90)	220	734
Best (Median) Estimate (P50)	830	1,661
High Estimate (P10)	2,289	3,270



Rapidly growing portfolio of late stage projects

- Suceava Exploration Area in Romania is cash flow generative
- Podere Gallina Licence, Italy – Selva gas discovery on stream 2020
- Tesorillo Project in Spain contains gas discovery with multi-tcf potential



Company-making resources

- 830bcf gross unrisked prospective gas resources at Tesorillo (CPR)
- 29.1 and 40.6bcf prospective resources at Podere Gallina (CPR)
- Maiden revenues being generated from Baintet gas field



High impact news flow

- Work programme on 830bcf gas discovery in Spain commences
- Production concession application award for Selva gas field, Italy
- Evaluating gas prospective areas / potential drilling targets in Romania to scale up revenues



Additional Upside

- Active growth strategy
- Multiple targets across portfolio and additional project pipeline being evaluated



Experienced management

- Proven track record of successfully identifying and advancing assets and generating significant value for investor

Prospect Oil and Gas PLC

Edward Dawson, *Managing Director*

Tel: +44 (0) 203 948 1619

Nominated Adviser

Strand Hanson Asset Management

Rory Murphy / Ritchie Balmer / Jack Botros

Tel: +44 (0) 20 7409 3494

Financial PR

St Brides Partners

Frank Buhagiar/ Priit Piip

Tel: +44 (0) 20 7236 1177

Joint Brokers

Peterhouse Corporate Finance Limited

Duncan Vasey

Tel: +44 (0) 20 7220 9797

Novum Securities

Jon Belliss

Tel: +44 (0) 20 7399 9427

Edward Dawson **CEO & MD**

With a BEng and an MSc in investment analysis, Edward has over 15 years' experience in the oil and gas sector. He has financed, managed and been a key investor in several oil and gas companies. Positions held include: MD of Peppercoast Petroleum plc and Black Star Petroleum plc; Analyst for RAB Capital's Energy Fund; Business Development and Finance Manager for Oilexco Incorporated; and a fund manager for Park Place Capital.

Richard Mays **Non-Executive Director**

Richard is a solicitor in Scotland and has extensive industry, commercial and legal experience. He is VP and General Counsel at Canadian Overseas Petroleum Limited (TSX and FTSE) and has leadership and senior management experience of other LSE listed companies, including DEO Petroleum plc and Oilexco North Sea Limited. He has also served as Executive Chairman of Peppercoast Petroleum plc and Black Star Petroleum plc. Formerly Professor and Deputy Dean of the Aberdeen Business School.

Carlos Venturini **Exploration Manager**

Carlos is a geologist (BSc) with an MSc in structural geology and over 25 years' experience in geophysical interpretation and oil prospect generation gained with Schlumberger, ENI, Siperol, and from his own Libya-based consultancy working for Petrobras, GDF, OMV amongst others. He is an expert in Mediterranean and African petroleum geology.

Bill Smith **Non-Executive Chairman**

Bill is a director of a number of listed and private companies including: Orca Exploration Group (TSXV); Mosaic Capital Corporation (TSXV); PFB Corporation (TSX). He holds a license to practice law in Alberta and was a senior partner at McCarthy Tetrault LLP in Canada. He has extensive corporate experience including a number of start-up ventures in the oil and gas sector.

James Smith **Non-Executive Director**

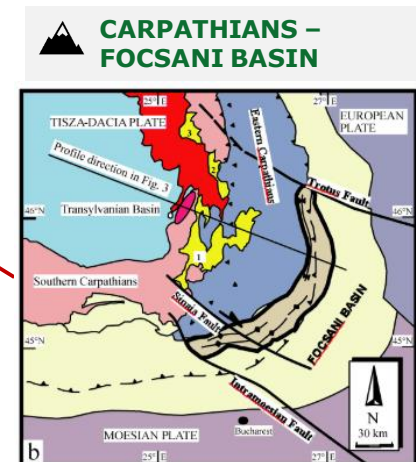
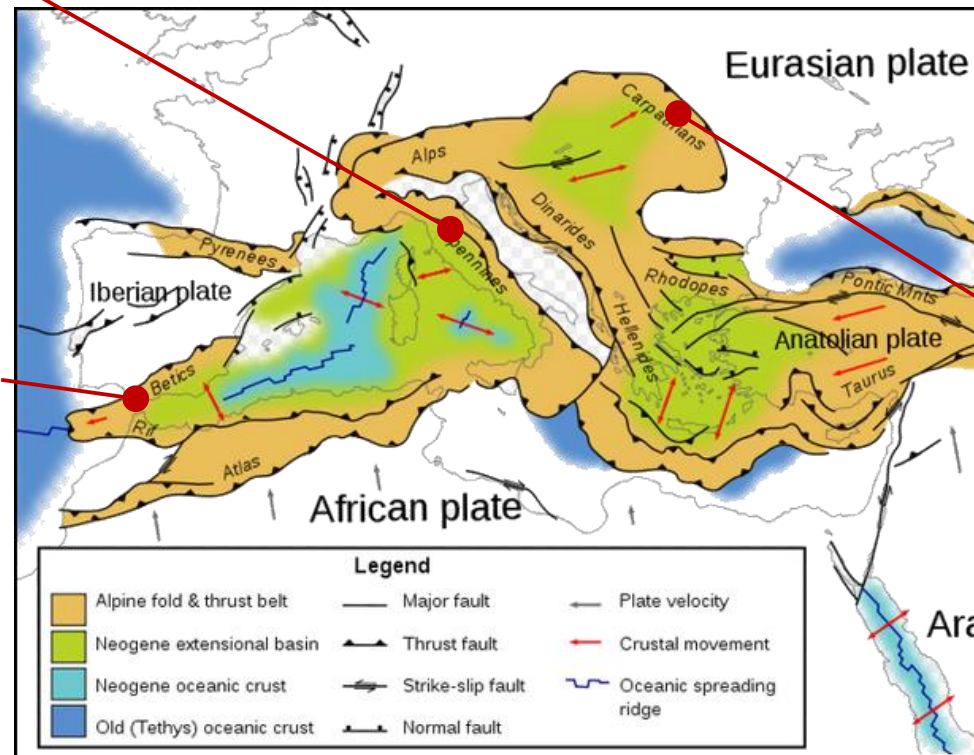
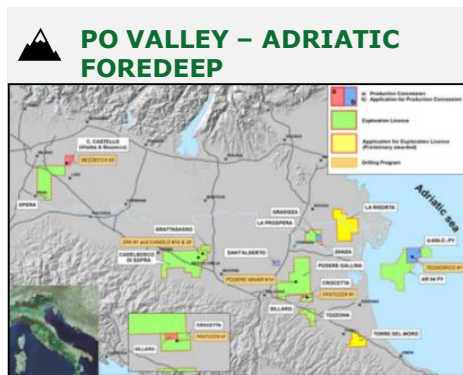
James holds a MSc in Petroleum Geology and has over 25 years' experience in the oil and gas sector. Having started his career as a petroleum geophysicist with Chevron UK in 1988, he became Vice President of Exploration for PanOcean Energy ('PanOcean') and in this capacity was instrumental in building the value of PanOcean from US\$20m to its eventual sale to Addax Petroleum for US\$1.4 billion in 2006. He has extensive experience in exploration, appraisal and development, with proven success in finding oil, delivering positive, high impact results and ultimately building value.

Peter Elliott **Business Development**

Peter holds a degree in geology and an MSc in petroleum geology. He has 22 years' experience in the international oil and gas industry working in new ventures and business development, most recently building oil company JVs in West Africa, including Senegal AGC, Liberia and Equatorial Guinea. He has also managed exploration contracts and work programmes.

The foredeep play

Foredeep basins typically host Tertiary turbidite sandstone reservoirs at the foothills of the Alpine systems in central and southern Europe





prospexoilandgas.com