

26 June 2019

**Prospex Oil and Gas Plc ('Prospex' or the 'Company')
Bainet-2 Spudding**

Prospex Oil and Gas Plc, the AIM quoted investment company, has been advised by the operator, Raffles Energy S.R.L. ('Raffles'), that the Bainet-2 well ('Bainet West' or 'the Well') in the Exploration Area of the EIV-1 Suceava Concession (the 'Concession' or 'Suceava'), North East Romania spudded during the afternoon of 25 June 2019. Prospex's wholly-owned subsidiary, PXOG Massey Limited, holds a 50% non-operated interest in the 984 sq km Concession with the balance held by Raffles.

The Well is targeting the Bainet West prospect which is lying at a depth of circa 600m. This prospect, which is well-defined on 2D seismic, is a look alike to the Concession's producing Bainet gas field. Specifically, it is located at a similar depth and in a similar position in relation to a fault whilst presenting similar seismic amplitude attributes to the Bainet field, which was discovered by the Bainet-1 well in November 2017.

Drilling and testing at Bainet West are expected to take 15 - 20 days to complete. If a commercial discovery is made, it is expected that Bainet West will be put on production in a similar fashion to Bainet-1, via a flowline link to the Bilca gas processing plant, which is less than 1.5km away.

Prospex Non-Executive Chairman, Bill Smith, said, "Bainet West was only added to our inventory of prospects in Romania in March 2019 following the Concession's enlargement, so the commencement of drilling a little over three months later is an exceptional achievement, one which is testament to the first-rate operations team on the ground, the business-friendly environment in Romania, and our partner's excellent in-country knowledge and experience.

"Bainet-2 is our fourth well in two and half years and follows two discoveries; Bainet-1 in Romania, which is currently on production, and the soon to be producing Podere Maiar-1 in Italy, which is expected to come online in 2020 at a rate up to 150,000 cmpd. With much activity underway across our portfolio including work programmes at the Tesorillo Project in Spain to de-risk 2 TCF of gas unrisks Gross Prospective Resources, I look forward to providing further updates on progress made on the ground, as we focus on closing the huge gap between the value of our assets and our share price."

Competent Person Review

Carlos Venturini, Fellow of the Geological Society of London, Exploration Manager has reviewed and approved the technical information contained within this press release in his capacity as a qualified person, as required under the AIM Rules.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

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Notes

Prospex Oil and Gas Plc is an AIM quoted investment company focussed on high impact onshore and shallow offshore European opportunities with short timelines to production. The Company's strategy is to acquire undervalued projects with multiple, tangible value trigger points that can be realised within 12 months of acquisition and then applying low cost re-evaluation techniques to identify and de-risk prospects.