

12 January 2018

Prospex Oil and Gas Plc ('Prospex' or the 'Company')
Commencement of Flow-Testing of Podere Maiar-1 well, onshore Italy

Prospex Oil and Gas Plc, the AIM quoted investment company, is pleased to announce that it has been advised by the operator Po Valley Energy Limited ('PVE') that isochronal flow testing operations on a rig-less basis have commenced at the Podere Maiar-1d appraisal/redevelopment well ('Podere Maiar' or 'the Well'), onshore Italy. The operator anticipates the flow test results will be available within the next seven days, at which point Prospex will provide a further update to the market.

Prospex holds a 17% interest in the Well (PVE 63% Operator; United Oil & Gas Plc 20%), which is located on the Podere Gallina Exploration Permit ('Podere Gallina' or the 'Permit') in the Po Valley region, a proven hydrocarbon province where over 5,000 wells have been drilled historically. Podere Maiar was drilled in Q4 2017 into the Selva Gas-Field (previously operated by ENI), which historically produced 83Bcf of gas between 1960 and 1984. As announced on 20 December 2017, two gas-bearing reservoirs, C1 and C2, were encountered by the Well in the Medium-Upper Pliocene sands of the Porto Garibaldi Fm. Log analysis, including data from pressure testing, indicates a total gross pay of 62m and a net pay of 41m.

Prospex Non-Executive Chairman, Bill Smith, said, "The commencement of flow testing at the Podere Maiar gas discovery in Italy kicks off what promises to be a highly active period for Prospex across our portfolio of interests in four European onshore projects. In addition to the test results expected in Italy later this month, the Bainen gas discovery in Romania is due to come online in Q2 2018, closely followed by first gas sales. Meanwhile, a work programme is planned to further delineate and de-risk the 830 billion cubic feet (Best Estimate) gross unrisked Prospective Resources at the Tesorillo Project in southern Spain. Elsewhere, we continue to evaluate additional projects with a view to building a pipeline of late stage development opportunities so that our shareholders are continually exposed to near term value trigger events, such as drilling and first production."

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.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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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.