

2 March 2018

Prospex Oil and Gas Plc ('Prospex' or the 'Company')
Statement re broker

Prospex Oil and Gas Plc, the AIM quoted investment company, notes the announcement made today by the Financial Conduct Authority relating to the administration of Beaufort Securities Limited ('Beaufort') and Beaufort Asset Clearing Services Limited ('BACSL'), which requires Beaufort to cease all regulated activity.

Accordingly, Prospex confirms that Peterhouse Corporate Finance Limited will act as the Company's sole broker with immediate effect.

Lapse of Warrant and Termination of Services

Beaufort was the holder of warrants to buy 8,500,000 ordinary shares at 1.25p per share. Due to the administration under the terms of the warrant agreement the warrants have now lapsed.

The Company is writing to the Joint Administrators of Beaufort and BACSL giving them notice of the lapse and termination of broker services agreement.

Commenting on the news Managing Director, Edward Dawson, said, "We thank Beaufort for the support they have shown our company and send our very best wishes to the team. Despite their departure from our advisory team I would like to assure shareholders that it is business as usual for Prospex. The oversubscribed placing in January ensured the Company is fully funded for its basic 2018 work programmes across the portfolio of investments and we continue to enjoy a positive working relationship with Peterhouse.

"I am pleased to report that since the acquisition of our interest in the Tesorrillo Project late last year, which contains a known gas discovery, the project has been reinvigorated and progress has been made in-country. Elsewhere, meetings with our operational partners have gone well with regards to getting last year's discoveries in Italy and Romania on production. We look forward to providing shareholders with further updates on these exciting developments in due course."

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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.