

Pennpetro Energy PLC

("Pennpetro" or the "Group")

Results for the 6 months ended 30 June 2018

London, 28 September 2018 - Pennpetro, an independent oil and gas company focusing on production in the Gonzales Oil Field in Texas, USA, today announces its Results for the six months ended 30 June 2018.

Chairman's Statement

I am pleased to advise that the Company has made steady progress during the first half of the financial year in bringing the first well COG#1-H into production, and assessing the potential of the Buda formation in addition to the Austin Chalk.

During the 6 months ended 30 June 2018 the Company has successfully completed construction of the tankerage farm consisting of three water disposal tanks and four oil recovery tanks with pipeline connections to the adjacent located wellhead (COG#1-H). This includes a newly installed jet pumping unit and electrical hook-up to the Gonzales power systems.

The testing of this infrastructure is ongoing and test oil is being delivered into the tanks and the salt water is being disposed by a daily tanker pickup from site.

The Operator pursuant to the State of Texas petroleum reporting requirements has formally advised the Texas Railroad Commission that the COG#1-H is completed as a producer initially to the Buda formation, with initial Buda oil having been delivered into the tanks.

Testing of the Austin Chalk horizontal formation, which delivered oil over the shakers during drilling, will be initiated once a full longer-term test of the Buda has been finalised. The Buda limestone reserves were not included in our evaluation of our reserves or in the Competent Persons Report (CPR) that accompanied the prospectus. We are aware that the Buda has been, and is currently, a successful target for vertical completions in the Gonzales area. Generally, the Buda limestone formation has an EUR of between 140,000 - 175,000 bbls, and, having been proved as a flowing production formation within the Company's acreage, can now be included within the Company's future technical evaluations and further vertical infill drilling locations on reduced spacing parameters.

As previously reported, Nobel Petroleum UK Limited, the Company's wholly owned subsidiary, through its US-based subsidiaries owns a portfolio of leasehold petroleum mineral interests centred on the City of Gonzales, in southeast Texas, comprising the undeveloped central portion of the Gonzales Oil Field. The petroleum assets include approximately 1,000 leases covering 2,500 acres of land and contain proven oil condensates. The CPR prepared in advance of the acquisition estimated that, as a result of the acquisition, Pennpetro Group would have a Working Interest in the portfolio of petroleum mineral leases of 2,000 MBBL of oil and 1,000 MMcf of gas.

Also, as previously reported in the December 2017 Accounts and Reports, the acquisition of Noble Petroleum UK Limited by Pennpetro fell outside the Scope of IFRS 3 ("Business Combinations"). As a result, the Consolidated Financial Statements have been treated as being a continuation of the Consolidated Financial Statements of Nobel UK, with Pennpetro being treated as the acquired entity for accounting purposes. Further acquisitions are expected to be accounted for within the Scope of IFRS 3.

The period under review has been one of real progress and the Company is now well placed to capitalise on the recovery in sentiment within the US and global petroleum sectors.

We remain confident in our petroleum assets, our US operations and the Board will continue to build upon what has been a successful and busy first year for the Group.

Keith Edelman

Non-Executive Director, Chairman

28 September 2018

Executive Director's Statement

As prior reported we have begun completion operations which under the reporting period entailed the construction of a new tankerage farm and the Operator is pump testing to remove accumulated water from the reservoirs, while at the same time recovering oil as the oil-cut progressively increases. To date test oil has been sold in limited quantities, the most recent sale being at a premium to WTI. Under the terms of our agreements with the other non-participating parties, Av-Tech Oil & Gas LLC, Landex Petroleum LLC and Sunrise Energy LLC, all parties now contribute towards their proportionate share of ongoing expenses with regard to COG#1-H.

Our operator has now filed formal completion certificates with the Texas Railroad Commission confirming that the COG#1-H well is being completed as a producer, albeit full testing is ongoing. In addition, the Operator has also filed the requisite Divisional Orders necessary.

Our land management team has continued to acquire contiguous acreage with our total position now approaching 3,000 acres. We also agreed with the Gonzales County to reposition certain of our petroleum leases by amending certain boundaries and at the

same time we have been able to extend our drilling time-lines for those particular leases by another initial twelve months. This re-programming has enabled the revisions that will be necessary for the 3-D seismic operations over which we are in current discussions. We are also in discussions with proposed two additions to our technical staff in the form of an additional geologist and a geophysicist to assist in these operations and geo-drilling requirements of the next horizontal well which is now designated as COG#3-H. Permitting for this well is ongoing and is expected to be completed within the next quarter.

In this stronger oil price environment, Pennpetro has emerged from the downturn as a low-cost, asset-backed US onshore oil and gas business. Subject to oil prices, market conditions and sentiment, I remain confident that we can deliver our strategy by acquiring leases in active and producing US onshore plays and proving up the reserves by drilling new wells. In furtherance of this agenda, we have incorporated a further Delaware entity, Pennpetro USA, Inc., with a mandate to seek out additional conventional producing petroleum assets only, possessing the ability to be upscaled with the adoption of unconventional horizontal drilling techniques. A number of opportunities are being examined which will be fully reported on when progressed.

This platform is one that has, at its core, the active management of all types of risk associated with the oil and gas industry. Broadly speaking, development risk is managed by focusing on proven formations, whilst execution risk is managed by participating in drilling activities alongside established industry partners and operators, such as our joint venture partners, Av-Tech Oil & Gas, LLC, who have an extensive history in South Texas operations, as well as our operations offsetting those of major industry players, including EOG Resources, Inc., a \$67.5 billion goliath. Individual well risk is managed by building a diversified portfolio of leases and wells and limiting the amount of interest the Group holds in any one well. Meanwhile, oil price risk is managed by focusing on areas that require relatively low oil prices to breakeven and ensuring our cost base, capital commitments and financing costs remain low, manageable and flexible.

EOG Resources has now also turned its full attention to the Austin Chalk formations both in Texas and its continuance into Louisiana with recent acquisitions by Conoco-Phillips, Marathon Oil Corp, alongside the recent formation of Magnolia by TPG Pace Energy and EnerVest to specifically focus on the Austin Chalk, as the Austin Chalk has a higher oil

content then Permian drilled completions. Gonzales County sits right in the middle of the Austin Chalk trend.

Pennpetro's Board currently comprises four Directors, who collectively have extensive international experience and a proven track record in investment, corporate finance and business acquisition, operation and development and are well placed to implement the Company's business objectives and strategy.

We believe the Company's Board and US management team is strong in terms of having the right mix of industry expertise covering all key areas of the business, including lease acquisition, geology, engineering, and finance.

Oil Price

West Texas Intermediate ("WTI") has continued its strength throughout the period under review averaging US\$68.01/bbl. The value of WTI as at 27 September 2018 was US\$72.27/bbl (source: Bloomberg Markets).

Outlook

In line with our strategy, all our operations are in highly active plays where the economics of drilling and producing remain attractive at sub-US\$30 oil prices. This highlights the success we have had in taking advantage of the prior industry downturn to accelerate the positioning of our South Texas leasehold position in favour of the Austin Chalk and Eagleford Shale. To this we can now add the unexpected bonus of the Buda Limestone formation reserves which we can now confidently state will increase our overall proved oil reserves, albeit we await a formal new CPR to be prepared in this regard.

With a strategic foothold in these prolific, low-cost plays established and a proven management team in place, we will look to further expand our position in this US onshore sweet spot, as and when management considers it most advantageous to do so.

For the remainder of 2018, our main Gonzales County objectives are to commence full production of the COG#1-H well, acquire additional land leases and to carry out a 3-D seismic survey of our land interests. I look forward to providing updates on our progress in the year ahead.

Finally, I would like to thank the Board, management team and all our advisers for their hard work over the period under review and also to our shareholders for their continued support.

Thomas Evans
Executive Director

28 September 2018

Operational Review

Summary

As previously reported, Nobel Petroleum USA, Inc., has operational teams on the ground working from its offices in the City of Gonzales. During the period under review, one new horizontal well in which the Group has an interest was confirmed by the Operator to the Texas Railroad Commission as being completed as an initial producer to the Buda formation. Further to this, the Operator has also filed Divisional Orders pursuant to the delivery of production interests. Additionally, Nobel USA commenced the initiation and construction of the tankage facilities and laid pipeline to the COG#1-H wellhead,

implementing the pumping of liquids from the reservoirs. The Group is currently in discussions to initiate an encompassing 3D seismic survey, during the latter part of 2018, with Dawson Geophysical Company to complement its comprehensive well logs geological analysis, together with an enhanced programme of additional new petroleum leasing contiguous to the area, with proposed planning to provide additional permitted drilling locations by year end.

South Texas

The Company, through its indirect wholly-owned subsidiary, Nobel Petroleum USA, Inc., holds interests in acreage within active oil and gas plays within the County of Gonzales, State of Texas: The Austin Chalk, and Eagleford Shale horizontal development and vertical development of the Buda formation. Nobel Petroleum USA, Inc. has observed an increase in the value of its interests within its project acreage, due in part to higher energy price parameters and increased consolidation of its acreage positions.

Austin Chalk

The play covers an extensive area with over a million acres yet to be developed and runs all the way from the Pearsale Field south of Gonzales to the giant Giddings Oil Field, the largest oilfield found in Texas in the past 50 years to the north of Gonzales, and further north onto the North Rayou Jack Field. The Austin Chalk overlays the oil-rich Eagleford Shale, with both formations capable of interacting with each other, and is a low permeability fractured reservoir that has been the target for horizontal drilling since the mid-1980s and consists of interbedded chinks, volcanic ash and marls. It is located at drill depths from 7,000 to 8,000 feet. It can be a liquids-rich play, yielding high volumes of oil and condensate. Initial production rates can range over 1,000 bopd with ultimate reserves exceeding 500 MBO per well.

- EOG also continued delineation of the South Texas Austin Chalk, completing five wells in the second quarter 2018.

Eagleford Shale

This play is classified as a petroleum system in that it is a self-sourced reservoir with seals. Migration of Eagleford hydrocarbons was primarily along bedding planes during the expulsion phase. Absent of traps, hydrocarbons migrated up-dip or north where vertical natural fractures were encountered. These natural fractures were associated with the regional fault trends. Here, the hydrocarbons migrated into the extensively fractured Austin Chalk. Initial production rates with laterals exceed 1,000 bopd. Listed below are examples of recent wells drilled by EOG:

- Notable wells in the second quarter included the Sandies Creek A-F 1H-6H, a six-well package in DeWitt County, which is immediately to the South of Gonzales, with an average treated lateral length of 6,500 feet per well and average 30-day initial production rates per well of 3,205 Boed, or 2,320 Bopd, 450 Bpd of NGLs and 2.6 MMcfd of natural gas.
- In Karnes County, TX, EOG completed the Hickok 5H-8H, a four-well package with an average treated lateral length of 5,000 feet per well and average 30-day initial production rates per well of 2,685 Boed, or 2,020 Bopd, 340 Bpd of NGLs and 2.0 MMcfd of natural gas.

Buda Formation

The Buda is a biomicritic limestone lying below the Eagleford Shale and above the Del Rio Shale. There has been an increase in the focus on, and the development of, the Buda formation by a number of independent US operators in South Texas, with a number of horizontal wells having been completed.

While the Buda has always been acknowledged as a resource play in South Texas, it sits at the bottom of our drilling prognosis, as whilst it has been a producer in the acreage surrounding our leasehold interests it could not be included within our proven resource categorization as no completions had occurred within our acreage. The Buda can be drilled as a separate vertical completion and added to our overall horizontal programme.

Furthermore, its unit spacing can be brought significantly down to 40 acres, thereby fulfilling a separate in-fill operation alongside our horizontal drilling focus.

With the successful completion of the COG#1-H well, as stated above, initial test oil flowing into tanks has been from the Buda formation thereby advancing the Groups proved reserve allocations as it has now been proved through the drill-bit that the underlying Buda formation attributable to the Groups petroleum lease holdings can be developed as an additional reservoir.

Thomas Evans

Executive Director

28 September 2018