



Pennpetro Energy PLC - PPP Increase in working interest in Gonzales licence
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For immediate release

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Pennpetro Energy Plc **("Pennpetro" or "the Company")**

Increase in working interest from 50% to 75% in City of Gonzales licence

Pennpetro, an independent oil and gas company focusing on production in the Gonzales Oil Field in Texas, USA, is pleased to announce that, effective 5th March 2019, its subsidiary, Nobel Petroleum UK Limited, has through its US based entities, increased its working interest from 50% to 75% in the leasehold petroleum interests centred on the City of Gonzales, southwest Texas, comprising the undeveloped central portion of the Gonzales Oil Field. The interest was acquired from existing working interest parties pursuant to contractual obligations within the Joint Operating Agreement, by crediting \$1.1 million of outstanding receivables.

The Competent Persons Report ("CPR") prepared in advance of the original 50% acquisition of interest 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. These interests are now uplifted to 3,000 MBBL and 1,500 MMcf of gas.

The most recent CPR prepared in December 2017 estimated that the Group's then undiscounted Net Revenue interest in the Gonzales petroleum leases amounted to \$62 million, which as a result of the additional acquired interest increases to \$93 million based on the same

CPR out to 2031 at an average price of oil of \$55 per barrel West Texas Intermediate.

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Notes to Editors

Pennpetro Energy is an independent oil and gas company focusing on production in the Gonzales Oil Field in Texas, USA. Shares in the company were admitted to the Official List of the London Stock Exchange by way of a Standard Listing on 21 December 2017. Further information on the Company can be found at www.pennpetroenergy.co.uk

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