

Doriemus Plc

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Directors:

Executive Chairman
David Lenigas

Executive Directors
Greg Lee
Donald Strang

Non-Exec Directors
Glenn Whiddon
Hamish Harris

Corporate Information:

ASX Code: DOR
NEX Code: DOR



ASX / Media Announcement

27 July 2018

Quarterly Activity Report to 30th June 2018 and Significant Activity post Reporting Period

Highlights:

Significant Activity post the reporting period:

- In regards to the Extended Well Test at Horse Hill-1, The Portland formation well clean-up phase was successfully completed with oil flowing naturally and under pump. The next phase of the EWT had now commenced.
- Assessment of the Kimmeridge formation at the Lidsey Oil Field indicated high quality crude.

Significant activities during the reporting period:

- Approval to commence Horse Hill Extended well test was granted by the UK Oil and Gas Authority (OGA).
- The Extended well test at Horse Hill commenced.
- The operator of the Lidsey and Brockham Oil fields (Angus Energy) announced to the market that conventional production had recommenced at Lidsey and Brockham.
- West Sussex County Council extends Lidsey Oil Field production permits by 10 years to 2028.

David Lenigas, Doriemus Plc's Executive Chairman; commented;

"We are now entering a very important period for the Company with the last quarter seeing the commencement of very significant works at all our major UK Weald Basin assets at Horse Hill, Brockham and Lidsey. This coming quarter will see the extended wells testing of the Horse Hill-1 well continuing on its Portland and Kimmeridge reservoirs. The initial test results to date at Horse Hill have exceeded our earlier expectations and we are looking forward to seeing the results of the Kimmeridge test programmes. We are also optimistic that the Surrey County Council will approve the opening up of the Brockham side-track well this quarter and in so doing would potentially make Brockham the first oil field in the UK's Weald Basin to come on line as a Kimmeridge oil producer."

OPERATIONAL ACTIVITIES FOR THE QUARTER TO 30 JUNE 2018:

Horse Hill ("HH") Petroleum Exploration and Development License:

On the 15th of June Doriemus announced that it has been informed by Horse Hill Developments Ltd ("HHDL"), the operator of the Horse Hill-1 ("HH-1") that the OGA has granted its consent for the HH-1 Extended Well Test (EWT) programme. All other necessary regulatory consents from Surrey County Council ("SCC"), the Environment Agency ("EA") and the Health and Safety Executive were in place.

On the 28th of June Doriemus announce that it has been informed by Horse Hill Developments Ltd ("HHDL"), that the "EWT" operations of HH-1 had commenced and that all key equipment necessary to carry out a 150-day long-term extended flow test campaign at HH-1 was on site.

Doriemus Plc interest in HH-1: Doriemus owns 10% of HHDL, which owns 65% of the Horse Hill Licences which hosts the HH-1 oil discovery well, or a 6.5% attributable interest in the licences. (See Figure 2 for location.)

Lidsey Onshore Production License Update:

On the 3rd of April, Doriemus announced that the Operator of the Lidsey Oilfield, Angus Energy Plc ("Operator") had announced that production had commenced from the Great Oolite Reservoir at the Lidsey Oil Field. Work is still being undertaken to optimise the wells at Lidsey.

Both Lidsey-X1 and the Lidsey-X2 wells were producing (please refer Figure 2, below, for locations).

The operator of the Lidsey Oilfield further announced in late April that the West Sussex County Council Planning Committee has unanimously decided to approve a 10 year extension for oil production at Lidsey to 2028.

Doriemus Plc's interest in Lidsey: Doriemus owns a 30% direct participating working interest in the Lidsey-X2 production well, which is located within the onshore Lidsey Oil Field (PL 241) (Production Licence) under the rights it has under the 21 November 2013 Farm-Out Agreement. The Lidsey Oil Field is operated by Angus Energy Plc. In respect of all other wells on the Lidsey Oil Field, Doriemus has a 20% participating interest and contribution to capital costs will be 20%.

Brockham Production License Update:

On the 3rd of April, Doriemus announced that the Operator of the Lidsey Oilfield, Angus Energy Plc ("Operator") had announced that production has now resumed from the Portland Reservoir of the BR-X2Y well at the Brockham Oil Field. Work is still being done to optimise the well at Brockham.

Doriemus Plc's interest in Brockham: Doriemus has a 10% participating interest in Brockham – X2Y. The field is operated by Angus Energy.

SIGNIFICANT ACTIVITIES POST THE REPORTING PERIOD:

Horse Hill ("HH") Petroleum Exploration and Development License:

On the 20th of July Doriemus announced that the operator of Horse Hill (HHDL) had released initial information on the EWT of the first formation to be tested "The Portland Formation" at HH-1 as detailed below:

- Initial Portland well "clean-up" phase completed successfully.
- Light sweet crude oil (36 API) and associated solution gas flowed sustainably via pump and natural flow to surface over a 4-day period to date. Oil contains no metered water content (i.e. "dry oil").
- Metered daily oil rates to date equal to or exceed 2016 values. Highest observed hourly rate equivalent to an implied estimated daily rate of 352 barrels of oil per day ("bopd"). Corresponding metered solution gas volumes are up to an implied rate of 30,000 cu ft per day.
- Flow has not yet been optimised for maximum sustainable flow rates.
- First tanker containing 214 barrels of dry oil exported to BP's Hamble oil terminal.
- Following a planned 24-hour shut in for a pressure buildup survey the first of three planned Portland test sequences would commence.
- The main Kimmeridge oil pool tests will be conducted post the Portland testing.

Figure 1: First tanker containing 214 barrels of dry oil exported to BP's Hamble oil terminal (Steve Sanderson – Head of UK Oil and Gas Investments Plc and Head of HHDL at Horse Hill on 18/7/18)



Lidsey Onshore Production License:

On the 4th of July Doriemus announced that Angus Energy the operator of the Lidsey Oil Field, had released an announcement of positive oil analysis results from of the oil produced from the Kimmeridge (Clay) Layers in the Lidsey-X1 Well as part of its recent supplementary assessment programme on the Lidsey-X1 well.

The operator also advised that the samples tested demonstrated a composite of oil from the Oxfordian and Kimmeridge layers exhibiting a mixed range of source maturities. The lowest quality crude in the range possessed light, 38.5 -degree API oil in the natural fracture system. Comparatively, Brent Oil is 36 API.

Brockham Production License:

There has been no significant activity post the reporting period.

Non-Core Assets – Isle of Wight and Greenland Gas and Oil Plc:

There has been no activity through the reporting period in respect to these non-core assets.

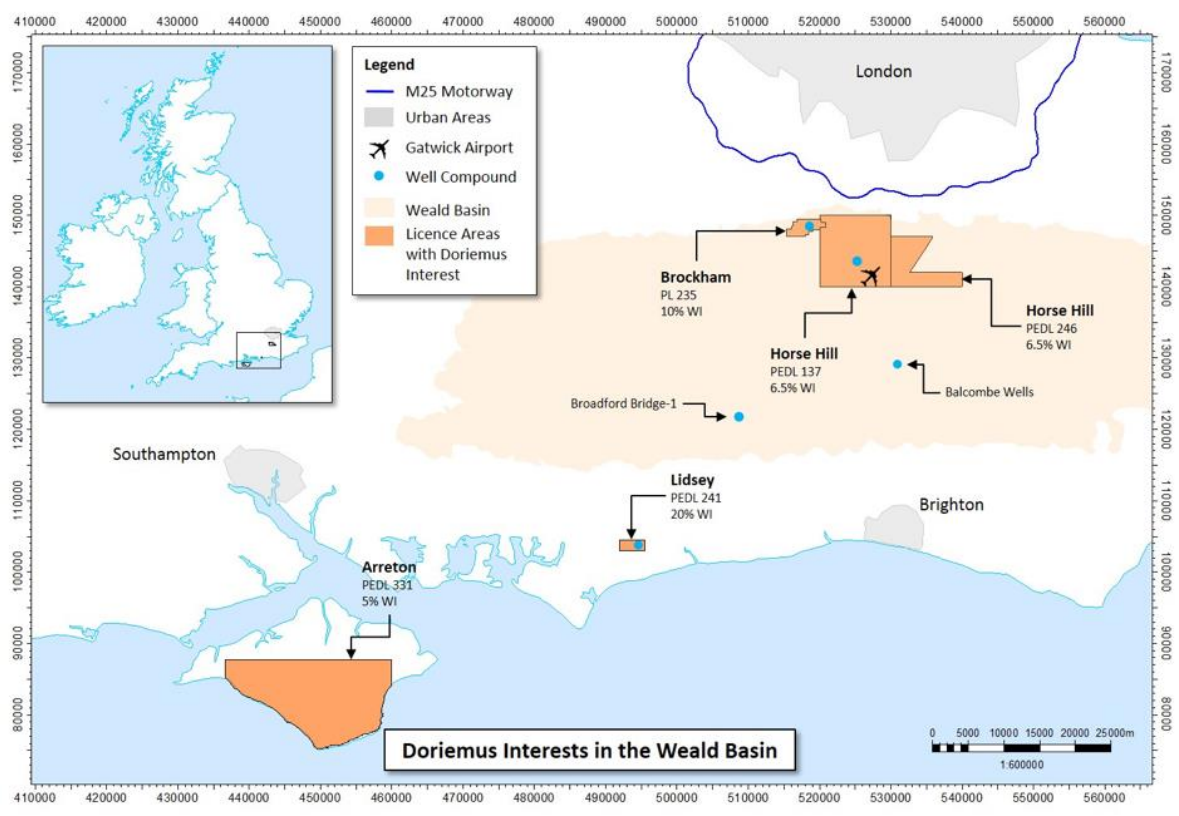
Isle of Wight:

DOR has a 5% participating interest in a 200km² onshore Isle of Wight Petroleum Exploration and Development Licence (**PEDL 331**). (Refer to Figure 2 for location.)

Investment in Greenland Gas and Oil Plc:

Doriemus PLC has a 1.33% shareholding in the English registered company Greenland Gas and Oil Plc ("**GGO**"), which is an early stage UK based oil and gas exploration company focused on acquiring oil and gas exploration assets in Greenland.

Figure 2: Doriemus Plc's UK based Oil and Gas Assets:



CORPORATE:

No material change.

QUALIFIED PETROLEUM RESERVES AND RESOURCES ESTIMATOR / COMPETENT PERSONS STATEMENT:

Pursuant to the requirements of the ASX Listing Rules Chapter 5 in Australia and the NEX Rules in the United Kingdom for Companies, the technical information and resource reporting contained in this announcement was prepared by, or under the supervision of, Mr Gregory Lee, who is the Technical Director of the Company. Mr Lee has more than 30 years' diversified experience in the petroleum industry. Mr Lee is a chartered professional Engineer (CPEng) and a member of the society of petroleum engineers (MSPE) and has been an independent consultant Petroleum Engineer since 1992 and has sufficient experience in exploration for, appraisal and development, operations of oil and gas resources.

CONTACTS:

For further information on this update or the Company generally, please visit our website at www.doriemus.co.uk or contact:

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FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE:

This announcement may contain forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by many variables which could cause actual results or trends to differ materially.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

This announcement may contain forecasts, projections and forward looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations, estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of the Company's control. Actual results and developments may differ materially from those expressed or implied. To the maximum extent permitted by applicable laws, the Company makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for (1) the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this announcement and (2) without prejudice to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this announcement.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

DORIEMUS PLC (DOR)

ABN

619 213 437

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows		Current quarter GB£'000	Year to date (12 Months) GB£'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(461)	(541)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(24)	(91)
	(e) administration and corporate costs	(27)	(54)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and development refunds	-	-
1.8	Other (a) VAT / GST	-	-
1.9	Net cash from / (used in) operating activities	(512)	(686)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-

Consolidated statement of cash flows		Current quarter GB£'000	Year to date (12 Months) GB£'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	896	1,098
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(512)	(686)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	3	(25)
4.6	Cash and cash equivalents at end of period	387	387

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter GB£'000	Year to date (12 Months) GB£'000
5.1 Bank balances	387	387
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	387	387

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current
quarter
GB£'000**

(21)

-

Directors salary, fees, superannuation and exploration consultancy, related to the current and prior quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current
quarter
GB£'000**

-

-

8. Financing facilities available	Total facility amount at quarter end GB£'000	Amount drawn at quarter end GB£'000
<i>Add notes as necessary for an understanding of the position</i>		
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	GB£'000
9.1 Exploration and evaluation	(75)
9.2 Development	(75)
9.3 Production	-
9.4 Staff costs	(25)
9.5 Administration and corporate costs	(25)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(200)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 27 July 2018

Print name: Julia Beckett

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.