

Doriemus Plc

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Corporate Information:
ASX Code: DOR



ASX / Media Announcement

19 October 2018

Horse Hill Portland Oil Field Declared Commercially Viable

Horse Hill-1 ("HH-1") Portland and Kimmeridge oil discovery, Weald Basin, UK

Doriemus Plc (ASX: DOR) ("Doriemus" or the "Company"), is pleased to announce that Horse Hill Developments Limited ("HHDL"), the operator of the HH-1 Kimmeridge Limestone and conventional Portland Sandstone oil discovery near London's Gatwick international airport, has informed the Company that, following preliminary engineering and economic modelling of the successful Portland Extended Well Test ("EWT") programme, it now considers the Portland oil field to be commercially viable.

HHDL now targets the start-up of long term Portland oil production in 2019, subject to the grant of necessary regulatory consents. The first future horizontal production well, HH-2, for which planning and Environment Agency consents are in place, is planned to be drilled in early 2019. Key points and further details are summarised below:

Key Points:

- Following analysis of EWT results and economic modelling of HHDL's and Xodus Group's ("Xodus") forecast oil production profiles, HHDL now considers the Portland oil field to be commercially viable. Work is now underway towards a targeted long-term production start-up in 2019.
- HHDL currently envisages the Portland field development plan to consist of up to 3 production wells and up to 2 pressure support wells.
- A planning application for Portland and Kimmeridge field development is nearing completion and is targeted for submission to Surrey County Council ("SCC") before year-end.
- Xodus' inhouse modelling has estimated future Portland oil production profiles, based upon observed pressure and volumetric data from the EWT. The modelling also shows that oil recoveries could possibly be up to 45% of connected Oil in Place (best case) subject to the successful establishment and operation of a full voidage replacement pressure support system to be incorporated into the field's development.
- The Portland field's first new horizontal production well, HH-2, which has SCC planning and Environment Agency consents, is planned to spud in early 2019 following completion of the Kimmeridge Limestone EWT.
- As reported on 10 September, the HH-2 horizontal well has a targeted* sustainable daily Portland production rate of a best case estimated rate of between 720 to 1,080 bopd, which is 2 to 3 times the calculated* sustainable vertical well rate of 362 bopd derived from the EWT programme.
- Following submission of the planning application, Xodus' 2018 Portland Competent Persons Report will be updated to include recoverable reserves and net present values of cash flows associated with the envisaged Portland oil field development.

Note: * There can be no guarantee that forecast, targeted or calculated rates of production and recoveries derived from the current and future engineering modelling will be achieved.

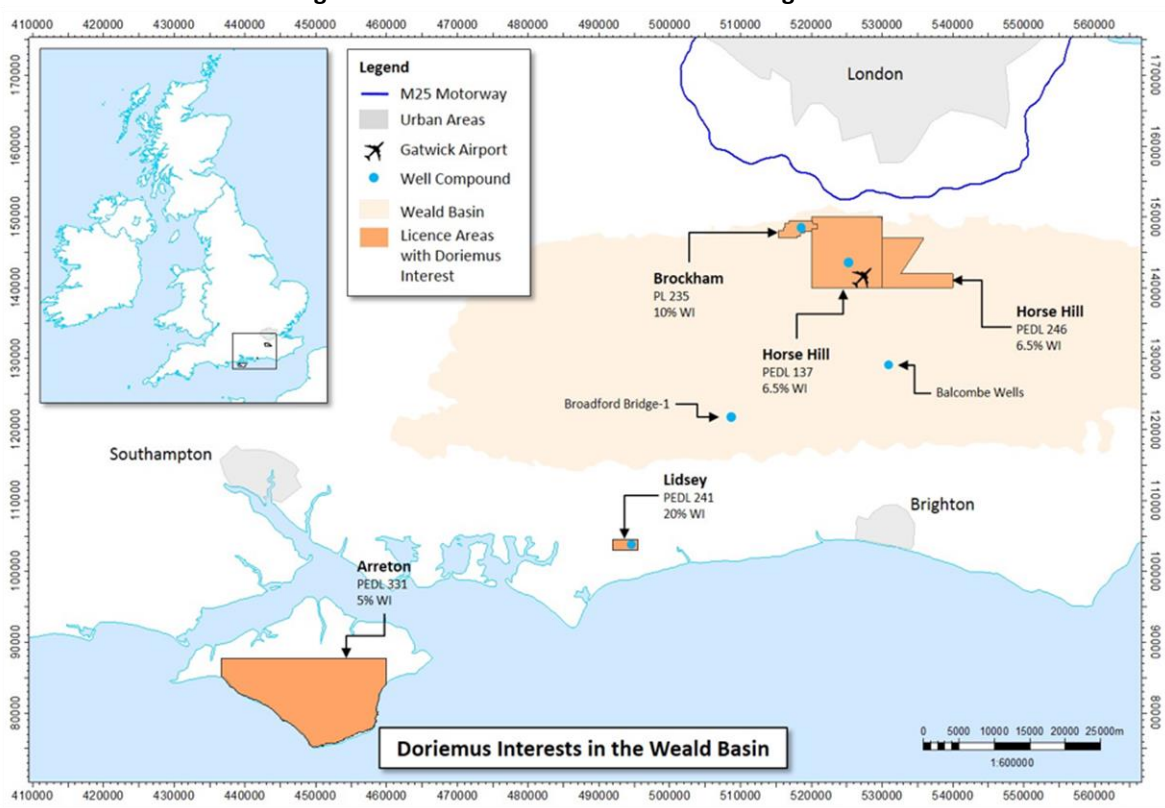
About Xodus

Xodus is an international, globally recognised consultancy group providing engineering and advisory services to clients in the oil & gas, LNG, renewables and utilities industries worldwide. They are certified as Competent Persons for the purposes of oil and gas resource and reserve assessments. More details can be found at www.xodusgroup.com.

David Lenigas, Doriemus's Executive Chairman, commented:

"The declaration of Portland commercial viability by the operator today is a very significant milestone for the Company. It transforms Horse Hill from solely exploration into a fully-fledged field development with a full-scale oil production start-up targeted in 2019. The better than expected EWT results have shown clearly that the Portland reservoir has significant daily production potential in its own right. We also eagerly anticipate the possibility of combined long-term production from both the Portland and Kimmeridge, an exciting and potentially transformative prospect for the Horse Hill "Gatwick Gusher" oil discovery in the UK's Weald Basin and for the Company."

Figure 1: Doriemus Plc's UK onshore oil and gas assets:



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 located in PEDL137 in the UK's onshore Weald Basin, or a 6.5% attributable interest in the licences. (See Figure 4 for location).

QUALIFIED PETROLEUM RESERVES AND RESOURCES EVALUATOR STATEMENT:

Pursuant to the requirements of the ASX Listing Rules, the technical information and resource reporting contained in this announcement was prepared 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.

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FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE:

This document may contain forward looking statements that are subject to risk factors associated with the oil and gas industry. Forward looking statements include but are not necessarily limited to statements concerning Doriemus's planned operations and other statements that are historic facts, when used in this announcement, the words such "could", "plan", "estimate", "expect", "intend" "may", "potential", "should" and similar expressions are forward looking statements. Although the expectations reflected in these statements are reasonable, they involve risks and uncertainties, and may be affected by many variables which could cause actual results or trends to differ materially. No assurance can be given that actual results will be consistent with these forward-looking statements.

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