

Magnolia Petroleum Plc ('Magnolia' or 'the Company')
Issue of Equity

Magnolia Petroleum Plc, the AIM quoted US onshore focused oil and gas exploration and production company, is pleased to announce that it has raised £250,000 via the issue of 250,000,000 new ordinary shares (the 'Placing Shares') in the Company at a price of 0.1 pence per share (the 'Placing'). The Placing was completed through the Company's broker Cornhill Capital Limited. The proceeds of the Placing will be used to fund current drilling commitments on its acreage in proven US onshore hydrocarbon formations, such as the Woodford and Mississippi Lime in Oklahoma.

Rita Whittington, COO of Magnolia Petroleum, said, "We continue to be encouraged by the number of wells currently drilling and/or completing on our leases, and the funds raised will enable Magnolia to maintain its participation in future drilling activity where it makes commercial sense to do so. Subject to the results, this new drilling activity fits with our strategy to improve our portfolio of wells, and in the process increase profitability at current oil prices. We are focused on ensuring we emerge from the current downturn with a high quality, asset backed, cash flow generative platform so that we are able to take advantage of opportunities that present themselves when the cycle picks up."

Admission and dealings

The Placing Shares will rank *pari passu* in all respects with the Company's existing issued ordinary shares and will be equivalent to 16.38% of the enlarged issued share capital. Application has been made for the admission of the Placing Shares to trading on AIM and it is expected that admission will occur and that dealings will commence at 8.00 a.m. on 9 August 2016. The Placing is conditional, inter alia, on Admission becoming effective.

For the purposes of the Financial Conduct Authority's Disclosure and Transparency Rules, the Company announces that following the issue of the Placing Shares, the Company will have 1,526,458,563 Ordinary Shares in issue ('Enlarged Share Capital').

The Company has no Ordinary Shares held in treasury. The total number of voting rights in the Company will therefore be 1,526,458,563. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

**** ENDS ****

For further information on Magnolia Petroleum Plc visit www.magnoliapetroleum.com or contact the following:

Steven Snead	Magnolia Petroleum Plc	+01918449 8750
Rita Whittington	Magnolia Petroleum Plc	+01918449 8750
Jo Turner / James Caithie	Cairn Financial Advisers LLP	+44207 1487900
Colin Rowbury	Cornhill Capital Limited	+44207710 9610
Lottie Brocklehurst	St Brides Partners Ltd	+44207236 1177
Frank Buhagiar	St Brides Partners Ltd	+44207236 1177

Notes

Magnolia Petroleum Plc is an AIM quoted, US focused, oil and gas exploration and production company. Its portfolio includes interests in 146 producing and non-producing assets, primarily located in the highly productive Bakken/Three Forks Sanish hydrocarbon formations in North Dakota as well as the oil rich Mississippi Lime and the substantial and proven Woodford and Hunton formations in Oklahoma.

Summary of Wells

Category	Number of wells
Producing	146
Being drilled / completed	12
Elected to participate / waiting to spud	18
TOTAL	176