

2 October 2015

Magnolia Petroleum Plc ('Magnolia' or 'the Company')
Drilling 10 New Wells with Continental Resources in Oklahoma

Magnolia Petroleum Plc, the AIM quoted US onshore focused oil and gas exploration and production company, is pleased to announce it is participating alongside leading US onshore operator, Continental Resources ('Continental'), in the drilling of 10 new gas wells targeting the proven Woodford formation. All 10 new wells are located in the prolific South-Central Oklahoma Oil Province ('SCOOP') play in Oklahoma, from which it is estimated a total of 3.2 billion barrels of conventional oil have been recovered from 60 reservoirs.

- New wells are targeting gas in the Woodford formation, the primary source rock for conventional hydrocarbon reservoirs in the SCOOP where Continental has had considerable success
- All 10 wells are lower risk increased density wells located in two sections
 - Increased density wells maximise the recovery of reserves on leases that are held by production
 - Both sections have been successfully drilled by Continental
- The 10 Continental-operated wells form part of Magnolia's strategy to more evenly balance its oil/gas product mix which currently stands at 56%/44%
 - Gas markets have local supply / demand dynamics which tend to be independent of global oil prices, providing further diversification to Magnolia's producing well portfolio
- Magnolia's average net working interest is 0.525% in each well
- Magnolia's total cost for all 10 wells is estimated at US\$590,000 - total cost of each well ranges from US\$8.8 million to US\$13.1 million
- First well will spud in October 2015 with subsequent wells drilled back to back through to March 2016
- This update is in line with the Company's strategy to prove up the reserves on its leases, which were independently valued at US\$21 million as at 1 August 2015

Rita Whittington, COO of Magnolia, said, "From the outset our business model has been based on providing shareholders with exposure to the US onshore energy revolution while minimising risk, as highlighted by our mantra 'no one well will make or break us'. This has seen us build a portfolio of 203 producing wells, split 56% oil / 44% gas, in which our average interest is approximately 3%. Increasing our gas production ought to be viewed with risk management in mind. Due to gas markets being more local than oil, this move will further diversify our revenues. As these new Continental wells demonstrate, we are able to identify and secure leases in prolific hydrocarbon producing areas where activity levels remain high, such as the new gas

plays we are targeting. We therefore remain highly confident that our producing well count will continue to grow strongly over both the short and long term.

“With production already established on the leases, these new increased density wells represent low risk opportunities to rapidly increase production, maximise recovery rates on individual spacing units, and upgrade reserves to the proven developed producing category. With similar wells on nearby leases reporting excellent initial production rates, the potential to significantly add to our existing production, which stood at 309 boepd on 1 August 2015, is clear. In line with our strategy, revenues generated from production are reinvested into new wells to prove up the reserves on our leases. These were recently estimated at 873 Mbbl of oil and 2,454 MMcf of natural gas and valued at US\$20.88 million, providing Magnolia with considerable asset backing, particularly when compared with our current market capitalisation.”

**** 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
Jamie Vickers/Max Bascombe	Sanlam Securities UK Limited	+44207280 8700
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 202 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	202

Being drilled / completed	10
Elected to participate / waiting to spud	31
TOTAL	243