

**Magnolia Petroleum Plc ('Magnolia' or 'the Company')**  
**Excellent Initial Production at Two Chesapeake Operated Wells in Oklahoma**

Magnolia Petroleum Plc, the AIM quoted US onshore focused oil and gas exploration and production company, is pleased to report initial production rates for two wells in the Mississippi Lime formation, Oklahoma. Magnolia holds a 1.86% net revenue interest in each of these Chesapeake Energy ('Chesapeake') operated wells which, combined, add 38 boepd to Magnolia's net production.

**Commencement of production at the following wells:**

<b>Well Name</b>	<b>Targeted Formation</b>	<b>Operator</b>	<b>Gross IPR</b>	<b>Magnolia's NRI%</b>	<b>Net IPR</b>
Gray 7-27-12 1H	Mississippi Lime, Oklahoma	Chesapeake Energy	1,056 boepd	1.86	20 boepd
Gray 7-27-12 2H	Mississippi Lime, Oklahoma	Chesapeake Energy	952 boepd	1.86	18 boepd

The above wells have been drilled on the same spacing unit to maximise the recovery of reserves. Production from the above wells is expected to decline from initial elevated levels which are based on a 10 day average rate.

**Rita Whittington, COO of Magnolia, said,** "We now have interests in 213 producing wells alongside a range of established operators in proven US onshore formations, including the Woodford and Mississippi Lime in Oklahoma and the Bakken in North Dakota. Our diversified portfolio of wells generates material revenues and cashflows for the Company while significantly reducing our exposure to individual well risk. Magnolia's low cost structure and low corporate overheads, places it in a strong position to not only weather the current volatile oil price environment, but to continue to participate alongside successful operators. I look forward to providing further updates on our progress in due course."

**\*\* ENDS \*\***

For further information on Magnolia Petroleum Plc visit [www.magnoliapetroleum.com](http://www.magnoliapetroleum.com) or contact the following:

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## Notes

Magnolia Petroleum Plc is an AIM quoted, US focused, oil and gas exploration and production company. Its portfolio includes interests in 213 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	213
Being drilled / completed	11
Elected to participate / waiting to spud	19
TOTAL	243

## Glossary

‘boe’ means barrels of oil equivalent: a unit of energy based on the approximate energy released by burning one barrel (42 US gallons or 158.9873 litres) of crude oil. There are 42 gallons (approximately 159 litres) in one barrel of oil, which will contain approximately 5.8 million British Thermal Units (MBtus) or 1,700 kilowatt hours (kWh). The value is necessarily approximate as various grades of oil have slightly different heating values. BOE is used by oil and gas companies in their financial statements as a way of combining oil and natural gas reserves and production into a single measure.

‘boepd’ means barrels of oil equivalent per day

‘bopd’ means barrels of oil per day, Abbreviation for barrels of oil per day, a common unit of measurement for volume of crude oil. The volume of a barrel is equivalent to 42 US gallons

‘IPR’ means initial production rates

‘NRI’ means net revenue interest

‘WI’ means working interest