

Magnolia Petroleum Plc / Index: AIM / Epic: MAGP / Sector: Oil & Gas
28 July 2015

Magnolia Petroleum Plc ('Magnolia' or 'the Company')
Shimanek Well Update

Magnolia Petroleum Plc, the AIM quoted US focused oil and gas exploration and production company, announces that the Shimanek #2 vertical well ('Shimanek' or 'the Well') in Oklahoma reached total depth ('TD') of 5,300 feet on 24 July 2015. The Well encountered hydrocarbons in the targeted conventional zones, including the Lower Skinner, Redfork Sand and Mississippi Lime/Chat, in line with the pre-drill geological model. Due to high salt water saturation levels and the high costs associated with the disposal of the salt water, the decision has been made to plug rather than complete the Well to limit the total cost of operations to US\$175,000, and allocate the remaining US\$400,000 in the Shimanek budget for new drilling activity.

The Shimanek #2 well has no effect on Magnolia's plans to drill conventional prospects identified on other leases within its portfolio.

Magnolia COO, Rita Whittington said, "Based on the salt water and reserve levels encountered, we believe Shimanek would at best have been a marginal producing well but with high costs associated with the salt water disposal. We have multiple opportunities to drill more commercial wells on our leases, the US\$400,000 set aside to complete the Well has been reallocated to fund new drilling activity, either on our own or alongside established operators. We will update the market in due course on the wells currently being drilled or planned to be spud. This includes the Magnolia operated Roger Swartz #2 well which we intend to spud before year end, subject to prevailing oil prices."

**** ENDS ****

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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 195 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	195
Being drilled / completed	8
Elected to participate / waiting to spud	22
TOTAL	225