

16 January 2017

Magnolia Petroleum Plc ('Magnolia' or 'the Company') **Q4 2016 Operations Update**

Magnolia Petroleum Plc, the AIM quoted US focused oil and gas exploration and production company, is pleased to announce a quarterly update for Q4 2016 ('the Quarter') on its operations across proven and producing US onshore hydrocarbon formations, including the Bakken/Three Forks Sanish in North Dakota, and the Woodford, Mississippi Lime and the Hunton in Oklahoma.

Q4 Highlights to 31 December 2016

- Two new wells commenced production during the Quarter
- 153 producing wells in the Company's portfolio as at end of Q4 2016
- Elected to participate in five new wells during the Quarter
- Nine wells currently at various stages of development
- Raised £225,000 to fund drilling commitments on its US onshore leases (see announcement of 27 October 2016 for further details)

Outlook

- New wells due to come into production in Q1 2017
- Participation with leading operators in new wells and infill drilling which are commercial at lower oil prices
- Updated Reserves Report as at 1 January 2017 due in the near-term
- On-going lease acquisition and management activity in line with strategy to grow and diversify portfolio

Magnolia COO, Rita Whittington said, "Thanks to two new wells coming on stream during the Quarter and following the divestment of 67 producing wells with little or no economic value in 2016, Magnolia ended the year with a portfolio of 153 producing wells located in proven US onshore formations.

"With WTI consistently trading above the US\$50 level on the back of the recent OPEC meeting and our cost base almost a third lower than it was a year ago, Magnolia is well placed to step up our level of drilling activity once a recovery in sentiment has become firmly entrenched. With this in mind, we are encouraged by the noticeable pick up we are seeing in planned drilling by operators in our areas of focus; while on a wider level the near 10% month on month increase in the US rig count to 634 in December 2016 bodes well. Our strategy and objective remains the same: to drill alongside established operators to prove up the reserves on our leases, and in the process generate value for our shareholders."

Well Developments

The full list of well developments occurring in the quarter is set out below.

Well	Formation	Status	NRI %	Operator
Sympson 2-7-6XH	Woodford, Oklahoma	Drilled – waiting on completion	0.40	Continental Resources
Sympson 4-6-7XH	Woodford, Oklahoma	Drilled – waiting on completion	0.40	Continental Resources
Chalfant 2-7H	Woodford, Oklahoma	Drilled – waiting on completion	0.36	Continental Resources
Sympson 10-6H	Woodford, Oklahoma	Drilled – waiting on completion	0.44	Continental Resources
Sympson 8-7-6H	Woodford, Oklahoma	Waiting on spud	0.40	Continental Resources
Sympson 3-7-6XH	Woodford, Oklahoma	Waiting on spud	0.40	Continental Resources
Sympson 9-7-6XH	Woodford, Oklahoma	Drilling	0.40	Continental Resources
Sympson 5-6-7XH	Woodford, Oklahoma	Drilled - waiting on completion	0.40	Continental Resources
Sympson 7-6-7XH	Woodford, Oklahoma	Waiting on spud	0.40	Continental Resources
Sympson 6-6-7XH	Woodford, Oklahoma	Waiting on spud	0.40	Continental Resources
Michele Abel H1- 2XH	Springer, Oklahoma	Producing	0.13	Marathon

The information contained within this announcement constitutes inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014.

**** 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 153 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	153
Being drilled / completed	9
Elected to participate / waiting to spud	27
TOTAL	189