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

19 May 2017

Magnolia Petroleum Plc ('Magnolia' or 'the Company')

Operations Update

Magnolia Petroleum Plc, the AIM quoted US focused oil and gas exploration and production company, is pleased to announce its participation in seven new wells in the prolific SCOOP and STACK plays in Oklahoma, including five increased density wells which are to be drilled on the same spacing unit as already producing wells and are therefore deemed to have been significantly de-risked. In addition, the Company is participating in the workover of eleven existing wells, all of which are low cost and are expected to increase both the level of production and the estimated recoverable reserves for each well.

Participating in seven new wells with an aggregate net cost of US$103,695

Well Name	**Targeted Formation**	**Operator**	**Magnolia's WI/NRI%**	**Net Cost to Magnolia**	**Status**
Pauline 4-24/25H	Woodford, Oklahoma	Trinity	0.71/0.53	$31,800	Waiting on spud
Pauline 3-24/25H	Woodford, Oklahoma	Trinity	0.71/0.53	$31,380	Waiting on spud
Pauline 2/24/25H	Woodford, Oklahoma	Trinity	0.53/0.39	$20,580	Waiting on spud
Pauline 1-24/25/36H	Woodford, Oklahoma	Trinity	0.34/0.25	$17,680	Waiting on spud
Vergie 26-23-1H	Woodford, Oklahoma	Comanche Exploration	0.39/0.29	Fully carried	Waiting on spud
Fazio 1706 Well	Mississippi Lime, Oklahoma	Oklahoma Energy Acquisitions	0.20/0.15	Fully carried	Producing Gross IP: 644bopd; 1,507MCF
Celesta 2	Springer, Oklahoma	Continental Resources	0.02/0.016	$2,255.00	Waiting on spud

The four Pauline wells are increased density wells targeting the Woodford Shale in Hughes County, Oklahoma. These wells will offset two previously completed Woodford Shale wells: the Trinity-operated Clara 1-13/24H and Regina 1-25/24H. Both the Clara and Regina wells have been and continue to be prolific producers:

- The Regina well has cumulatively produced 1.3 BCF to date, currently produces at a rate of 1.7 MMCFD and has a projected estimated ultimate recovery ('EUR') of over 7.3BCF.
- The Clara well's cumulative production to date stands at 0.800 BCF, its daily production is currently 1 MMCFD and its EUR is over 3.5BCF.

The four Pauline wells will have a longer horizontal section in the Woodford Shale compared to the Clara and Regina wells, and therefore they have the potential to generate even larger reserves than either of the two initial wells.

Participating in the workover of the following 11 wells at an aggregate net cost of US$38,930:

Well Name	**Targeted Formation**	**Operator**	**Magnolia's NRI%**	**Net Cost to Magnolia**	**Workover**
Cummings 31-28-12-1H	Mississippi Lime, Oklahoma	Chesapeake Energy	3.34	$9,600	ESP install
Cummings 2H	Mississippi Lime, Oklahoma	Chesapeake Energy	3.34	$9,600	ESP install
Brandt 31-28-12 1H	Mississippi Lime, Oklahoma	Chesapeake Energy	3.35	$8,400	install pumping unit
Blaser 1-10H	Mississippi Lime, Oklahoma	Cummings	9.375	$5,100	clean and repair pump
Oakley Cash 3-27-17 1H	Mississippi Lime, Oklahoma	Chesapeake	0.8	$1,735	install pumping unit
Clive Pelton 34-23H	Bakken, North Dakota	Marathon Oil	0.40	$1,330	Subsequent refrac
Mack 10-27-17 1H	Mississippi Lime, Oklahoma	Chesapeake Energy	0.53	$1,165	install pumping unit
Sundance 1-4H	Mississippi Lime, Oklahoma	Chesapeake Energy	0.60	$500	install plunger lift
Rosemary Eckelberg	Bakken, North Dakota	Marathon Oil	0.35	$500	workover
Alison 16-	Mississippi	Chesapeake	0.20	$500	install

1H	Lime, Oklahoma	Energy			pumping unit
Jacob 16-1H	Mississippi Lime, Oklahoma	Chesapeake Energy	0.20	$500	install pumping unit

All the above wells are or have previously been producing. Adding an artificial lift to each well, either by installing a pumping unit or plunger lift, is expected to lead to an uplift in production and an upgrade to reserves which will be reflected in future reserves reports.

Magnolia CEO, Rita Whittington said, "We are encouraged by the number of new proposals we are receiving to drill alongside established operators. In our view, this provides further evidence of a pick-up in activity and sentiment in the US onshore sector, as highlighted by a more than doubling in the latest Baker Hughes oil rig count to 712 from 318 a year ago. It also validates our strategy to focus our lease acquisition strategy on prolific plays, such as the SCOOP and STACK in Oklahoma, where the economics of drilling are attractive in the current oil price environment. Furthermore, all seven wells are deemed to be low risk due to either being drilled on the same spacing unit as an existing producer or as a result of Magnolia's share of the drilling costs being fully carried.

"Working over an existing well provides a low cost, low risk opportunity to increase production rates and recoverable reserves. In a low oil price environment, this is an attractive proposition for operators and with a portfolio of 157 producing wells we expect to participate in additional workovers going forward. Workovers have positive implications for the overall level and value of our proven developed producing ('PDP') reserves which were recently independently valued at US$4,300,000. At this level, the value of our PDPs already outstrips our current market capitalisation. Workovers therefore have the potential to increase the already strong asset backing behind the Company."

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

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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 219 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	157
Being drilled / completed	13
Elected to participate / waiting to spud	49
TOTAL	219