12 December 2017

Magnolia Petroleum Plc ('Magnolia' or 'the Company')
Placing and Issue of Equity

Magnolia Petroleum Plc, the AIM quoted US onshore focused oil and gas exploration and production company, is pleased to announce that it has raised £300,000 via the issue of 8,571,428 new ordinary shares (the 'Placing Shares') in the Company, at a price of 3.5 pence per share (the 'Placing'). The Placing was completed through the Company's broker Cornhill Capital Limited.

The proceeds of the Placing will be used to fund Magnolia's participation in new wells in Oklahoma as part of its US$18.5 million Capital Management Agreement ('the Agreement') with Western Energy Development LLC ('WED'). Under the terms of the Agreement, in addition to receiving fees for investing funds on behalf of WED's clients in qualifying oil and gas leases in Oklahoma, Magnolia benefits from a free carry on the first well drilled on an individual spacing unit. This provides Magnolia with de-risked exposure to new leases, however, the Company is obliged to fund its share of the costs for any subsequent wells drilled on these leases. The funds raised today will enable Magnolia to cover its share of drilling costs on any additional wells drilled.

Magnolia CEO, Rita Whittington said, "The £300,000 raised today enables Magnolia to take full advantage of the unique opportunity provided by the WED Agreement to grow our net production and reserves in a de-risked manner. It allows us to participate in infill drilling activity on leases that will have been de-risked by the results of an initial well in which our interest will have been fully carried. With the first US$500,000 tranche of the US$18.5 million agreement now in place, we expect a step up in activity in terms of both investing this sum into oil and gas leases and also receiving additional funds from WED. 2018 promises to be an exciting year for Magnolia and I look forward to providing further updates on our progress in due course."

Issue of Equity

The Placing Shares will rank *pari passu* in all respects with the Company's existing issued ordinary shares and will be equivalent to 25 per cent of the enlarged issued share capital. Application has been made for the admission of the Placing Shares to trading on AIM and it is expected that admission will occur and that dealings will commence at 8.00 a.m. on or around 18 December 2017. The Placing is conditional, inter alia, on Admission becoming effective.

For the purposes of the Financial Conduct Authority's Disclosure and Transparency Rules, the Company announces that following the issue of the Placing Shares, the Company will have 34,906,992 Ordinary Shares in issue ('Enlarged Share Capital').

The Company has no Ordinary Shares held in treasury. The total number of voting rights in the Company will therefore be 34,906,992. This figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

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

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