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ASX / Media Announcement

20 December 2017

Operational Update Horse Hill-1 Oil Discovery, Weald Basin, UK

Highlights:

- **150-day production flow-test and new drilling programme set to commence later in the UK's winter 2017/18.**
- **Programme aims to confirm commerciality of Portland and Kimmeridge oil discoveries and gear-up for first permanent oil production targeted for early 2019.**
- **Drilling of HH-2 appraisal well as future producer to directly follow flow testing programme.**
- **Permanent production consent application underway, submission to SCC expected in spring 2018.**
- **Swift and successful eviction of protesters completed at Horse Hill site on 02 December.**

Doriemus plc (Listed in Australia ASX:DOR and listed in London NEX:DOR) ("**Doriemus**" or the "**Company**"), announces that it has been advised by Horse Hill Developments Ltd ("HHD"), the operator of the Horse Hill-1 ("HH-1") oil discovery near London's Gatwick International Airport (Figure 1), in which the Company holds a 6.5% interest, that key contracts and the requisite funding commitments from all participants are in place to undertake the production flow testing and drilling campaign approved by Surrey County Council ("SCC") in October 2017. The 2018 programme is planned to commence directly upon the discharge of SCC's pre-commencement planning conditions, expected by the end of winter 2017/18. Environment Agency approval for the full programme was granted in September 2017.

David Lenigas, Doriemus's Executive Chairman, commented:

"The long-term flow testing and field development of Horse Hill is one of the the major and most exciting events in the Company's history and we look forward to this big programme commencing. The 2018 Horse Hill programme is a key step towards delivering Doriemus's goal of commercial production from the Gatwick Gusher discovery and significant cash flow by early 2019."

Horse Hill Oil Discovery:

The HH-1 Portland sandstone and Kimmeridge Limestone oil discoveries lie within onshore Weald Basin licences PEDL137 and PEDL246 covering an area of 55 square miles (143 km²) north of Gatwick Airport. As previously reported on 21 March 2016, HH-1 flow tested at a significant commercial aggregate stable dry oil rate of 1,688 barrels of oil per day ("bopd") from the Portland, Kimmeridge Limestone 3 ("KL3") and Kimmeridge Limestone 4 ("KL4") reservoir horizons.

2018 Horse Hill Flow Test Programme:

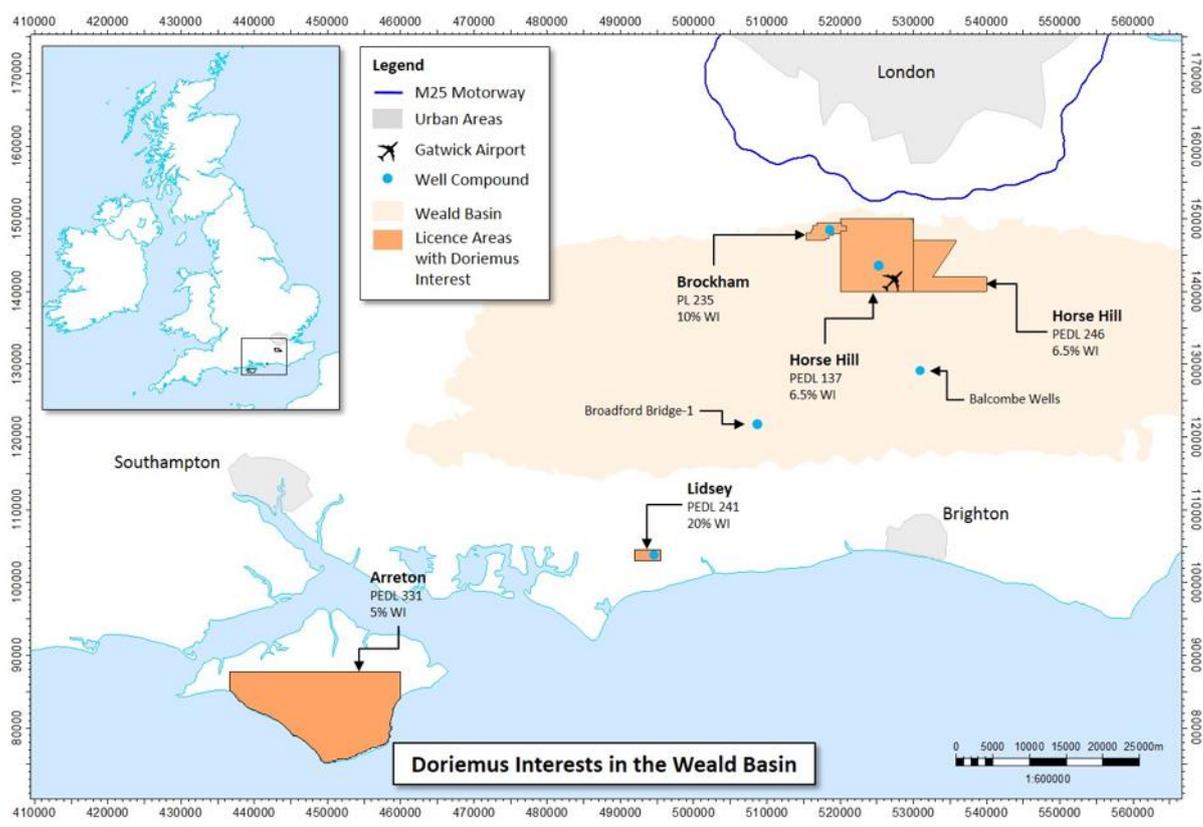
Following a short period of civil works to upgrade site facilities, a 150-day production testing programme focused upon the Portland, KL3 and KL4 reservoirs will commence. As commercially viable initial flow rates were established by the 2016 flow tests, the 2018 testing programme's goal is to confirm that HH-1's reservoirs are each connected to a commercially viable oil volume, thus enabling a declaration of commerciality to be made.



The Portland, KL3 and KL4 flow tests, each planned for around 30-40 days duration, will consist of a sequence of stabilised steady state flow and shut in periods to establish the oil in place (“OIP”) directly connected to the well. A short maximum flow-rate test will also be included for each reservoir. If time permits, a further short-term test of a deeper untested Kimmeridge reservoir may be undertaken.

Testing will commence with the Portland reservoir, which in the Company’s opinion, given the 323 bopd stable pumped rate achieved in 2016 and the 32 million barrels most likely OIP calculated by Xodus in 2017, is a strong candidate for commercial viability. Subject to a successful test, a Portland commercial declaration is expected to be made by mid-2018. A Kimmeridge commerciality declaration would follow programme completion and analysis of reservoir engineering data.

Figure 1: Doriemus Plc’s UK onshore oil and gas assets:



2018 Horse Hill Drilling Programme:

Subject to a successful testing outcome in the Kimmeridge and Portland, the HH-2 well is planned as a future Portland producer, with an expected spud towards the end of Summer 2018. Drilling plans include optionality to deepen HH-2 into the Kimmeridge to gather core and image log data, together with a possible northwards deviation to access the adjacent oil bearing Collendean Farm fault block’s significant Portland OIP.

The HH-1z Kimmeridge sidetrack spud is now planned for 2019 following construction of a Kimmeridge reservoir model utilising HH-1 Kimmeridge production data, reservoir data from the Company’s 100% owned Broadford Bridge-1 & 1z Kimmeridge discovery and any future HH-2 Kimmeridge core.

Production Planning Application:

To achieve its goal of stable, long-term Horse Hill oil production by Spring 2019, HHDL now plans to submit a further production planning application to SCC in late Spring 2018. This application will seek consent to produce oil initially from HH-1 & 1z, and HH-2, together with further production wells in a second contingent drilling phase.

Horse Hill Eviction:

On Saturday 2 December 2017, a 42-person team, including High Court bailiffs and the UK's pre-eminent specialist protester removal contractor, successfully removed around 20 activists who had illegally occupied part of the Horse Hill site since Thursday 30 November 2017. These activists intimidated, jostled and verbally abused HHDL's security staff and caused criminal damage during their illegal occupation.

An increased security presence will now remain on the site until completion of the 2018 programme.

The operator is rigorously pursuing all available legal means to seek recourse for this and any future events that prevent or obstruct its right to conduct its lawful business.

About the Horse Hill licences and Doriemus Plc's Interest:

The Horse Hill licences PEDL137 and PEDL246 cover 143km² in size and located to the north and adjacent to London's Gatwick International Airport. The Horse Hill licences are operated by Horse Hill Developments Ltd ("HHDL"). Doriemus owns 10% of HHDL, which in turn owns 65% of the Horse Hill licences (or a 6.5% attributable interest in the licences), which contains the Horse Hill-1 ("HH-1") oil discovery well.

COMPETENT PERSONS STATEMENT:

Pursuant to the requirements of the ASX Listing Rules Chapter 5 in Australia, the technical information and resource reporting contained in this announcement was prepared by, or under the supervision of, Mr Gregory Lee, who is the Technical Director of the Company. Mr Lee has more than 30 years' diversified experience in the petroleum industry. Mr Lee is a chartered professional Engineer (CPEng) and a member of the society of petroleum engineers (MSPE) and has been an independent consultant Petroleum Engineer since 1992 and has sufficient experience in exploration for, appraisal and development, operations of oil and gas resources.

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FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE:

This document may contain forward looking statements that are subject to risk factors associated with the oil and gas industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by many variables which could cause actual results or trends to differ materially.

Investors should make and rely upon their own enquiries before deciding to acquire or deal in the Company's securities.

This report contains forecasts, projections and forward looking information. Although the Company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions it can give no assurance that these will be achieved. Expectations, estimates and projections and information provided by the Company are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are out of the Company's control. Actual results and developments will almost certainly differ materially from those expressed or implied. The Company has not audited or investigated the accuracy or completeness of the information, statements and opinions contained in this report. To the maximum extent permitted by applicable laws, the Company makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for (1) the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission from, any information, statement or opinion contained in this report and (2) without prejudice to the generality of the foregoing, the achievement or accuracy of any forecasts, projections or other forward looking information contained or referred to in this report.

Glossary:

core or coring	a drilling technique that involves using a doughnut-shaped drilling bit to capture or "cut" a continuous cylinder-shaped core of undamaged in-situ rock. The core is captured in a steel pipe or "core barrel" above the bit. Core is normally cut in 30 feet lengths, or multiples of 30 feet, and normally with a diameter of 3.5 or 4 inches. Core is taken in petroleum reservoir rocks for detailed laboratory analyses of petrophysical and geomechanical parameters
discovery	a discovery is a petroleum accumulation for which one or several exploratory wells have established through testing, sampling and/or logging the existence of a significant quantity of potentially moveable hydrocarbons
extended flow test or production test	a flow test, or extended well test, designed to test the longer term production performance of a discovery with a view to declaring commercial viability and the establishment of permanent production.
flow test	a test period where hydrocarbons are flowed to surface through a test separator. Key measured parameters are oil and gas flow rates, downhole pressure and surface pressure. The overall objective is to identify the well's capacity to produce oil at a commercial flow rate and to recover oil in commercial quantities or volumes
limestone	a sedimentary rock predominantly composed of calcite (a crystalline mineral form of calcium carbonate) of organic, chemical or detrital origin. Minor amounts of dolomite, chert and clay are common in limestones. Chalk is a form of fine-grained limestone, being made of the remains of calcareous planktonic algae called coccoliths. The Kimmeridge Limestones are comprised of fine grained coccoliths, fine grained calcium carbonate mud, clay minerals, together with dark grey organic matter
oil in place (OIP)	the quantity of oil or petroleum that is estimated to exist originally in naturally occurring accumulations before any extraction or production
play	a set of known or postulated oil and or gas accumulations sharing similar geologic, geographic, and temporal properties, such as source rock, migration pathways, timing, trapping mechanism, and hydrocarbon type
sandstone	a clastic sedimentary rock whose grains are predominantly sand-sized. The term is commonly used to describe a consolidated and cemented rock made predominantly of quartz grains
sidetrack	re-entry of a well from the well's surface location with drilling equipment for deviating from the existing well bore to achieve production or well data from an alternative zone or bottom hole location