

## Doriemus Plc

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## Directors:

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David Lenigas

**Executive Directors**  
Greg Lee  
Donald Strang

**Non-Exec Directors**  
Hamish Harris

**Corporate Information:**  
ASX Code: DOR



ASX / Media Announcement

11 September 2018

## Excellent oil flows from Horse Hill well – Portland Extended Test.

Horse Hill-1 (“HH-1”) Portland and Kimmeridge oil discovery, Weald Basin, UK

### Highlights:

- Final HH-1 Portland flow test sequence successfully completed, all Portland operational objectives achieved.
- Successful Portland re-perforation programme targeted the original oil pay plus an additional 14 feet of new pay. Following re-perforation activities, the well productivity increased significantly.
- Independent oil consultants Xodus Group’s (“Xodus”) preliminary analysis of flow and pressure data interprets that with further HH-1 Portland vertical well optimisation the well could theoretically achieve a sustainable 24/7 pumped rate of an estimated 362 barrels of oil (“bopd”) when full scale long-term production commences, significantly exceeding original estimates. This analysis when completed is key as it establishes the absolute flow potential of the Portland reservoir for future production wells.
- Given the preliminary estimated potential of the Portland’s true flow, plans are now being formulated to drill either the HH-1z sidetrack or HH-2 new drill as a horizontal Portland appraisal well, with a targeted theoretical estimated initial daily production rate of 720 to 1,080 bopd which is 2 to 3 times the theoretically calculated HH-1 well rate of 362 bopd. All planning permissions, Environment Agency permits and the HH-2 well cellar are in place for a horizontal well. If Xodus commercial analysis is successful it is envisaged that all future Portland production will be via horizontal wells.
- Economic modelling indicates that HH-1 Portland is robustly commercial at even the lowest observed sustainable daily rate of 140 bopd and at oil prices below \$60 per barrel. A formal Horse Hill Developments Ltd (“HHDL”) declaration of Portland commerciality is therefore expected shortly following receipt of Xodus’ final connected oil volume analysis. A planning application for long term production is planned to be submitted to Surrey County Council shortly, prior to the completion of the forthcoming Kimmeridge EWT programme. Full-scale long-term production, targeted for 2019, is subject to co-venturer and regulatory approvals.
- All 36° API Brent quality oil produced during the EWT is “dry”, containing only 0.02% water.
- Preparation for the primary EWT objective, to establish the commerciality of the Kimmeridge Limestone 3 (“KL3”) and KL4 oil pools underlying the Portland, has now commenced.
- Kimmeridge testing will begin in the uppermost KL4 oil pool immediately following the removal of two suspension plugs and installation of a new completion string straddling the two Kimmeridge oil pools.

Doriemus Plc (ASX: DOR) (“Doriemus” or the “Company”), is pleased to announce that Horse Hill Developments Limited (“HHDL”), the operator of the HH-1 Kimmeridge and Portland oil discovery, located in Licence PEDL137, has informed the Company that the final Portland EWT sequence has been successfully completed and that all Portland operational test objectives were achieved.

Following a final long duration pressure build up test, preparations for the primary Kimmeridge EWT are now underway. The Kimmeridge EWT's goal is to establish the commerciality of the underlying KL3 and KL4 oil pools, which in 2016 flowed 40 API crude naturally to surface at an aggregate implied stable dry oil rate of 1,365 bopd. Further updates will be provided as the Kimmeridge EWT progresses.

**David Lenigas, Doriemus's Executive Chairman, commented:**

*"We are fully in accord with HHDL's Chairman's comments and are similarly delighted that the HH-1 re-perforation and optimisation programme has resulted in the Portland production rate of 362 bopd, which significantly exceeds our initial test programme expectations. This high rate (although preliminary and theoretically estimated) together with the economic modelling run on the new estimates, strongly indicates that the HH-1 Portland vertical well is commercially viable and robustly economic at the lowest observed sustainable test rates and the predicted future sustainable production rates. HHDL's internal declaration of Portland commerciality is therefore expected shortly following receipt of Xodus' final connected oil volume analysis.*

*We also look forward to the realistic near-term prospect of a new Portland horizontal appraisal well attaining a theoretically estimated sustainable 720-1,080 bopd test rate in early 2019. This robustly commercial result would make the Portland a very significant asset for Doriemus and would solidly underpin Horse Hill as a valuable asset going forward.*

*In the light of Portland success, we now eagerly anticipate the imminent start of the Kimmeridge test programme, the goal of which is to establish the commerciality of the underlying KL3 and KL4 oil pools which flowed so prolifically in the 2016 short duration test programme."*

It should be noted that the above-referenced estimated rates of 362 bopd are forecast rates provided by Xodus based on a fully successful further HH-1 well optimisation, and as such there is no certainty that those rates will be achieved.

**Additional EWT Information**

In order to calculate the Portland oil volume connected to, or "seen by" HH-1, steady state flow conditions were required (i.e. stable; oil rate, gas oil ratio, bottom hole and tubing head pressures). Consequently, post perforation, production was restricted to sustainable 24/7 rates of between 140-160 bopd. It should be noted that these rates do not reflect the Portland's full flow potential that could be achieved either via successful further optimisation of the HH-1 vertical well or a new horizontal production well.

During these sustained flow periods, intermittent natural flow was evident, with metered rates at the separator exceeding the nominal pumped volume by up to 50 bopd, with the highest rate recorded of 191 bopd. Gas rates at the test separator and through the enclosed flare remained broadly constant at around 15,000 cubic feet per day.

Throughout testing, sustained pumped oil rates were recorded with stable bottom hole pressures of around 200 psi below the initial reservoir pressure of around 915 psi. Following shut-in periods, bottom hole pressures recovered rapidly back to initial reservoir pressure, indicating good connectivity within the Portland oil pool. The observed pressure response during the EWT is interpreted to have positive implications for oil recovery efficiency during planned future long-term production.

**About Xodus**

Xodus are an international, globally recognised consultancy group providing engineering and advisory services to clients in the oil & gas, LNG, renewables and utilities industries worldwide. They are certified as Competent Persons for the purposes of oil and gas resource and reserve assessments. More details can be found at [www.xodusgroup.com](http://www.xodusgroup.com)

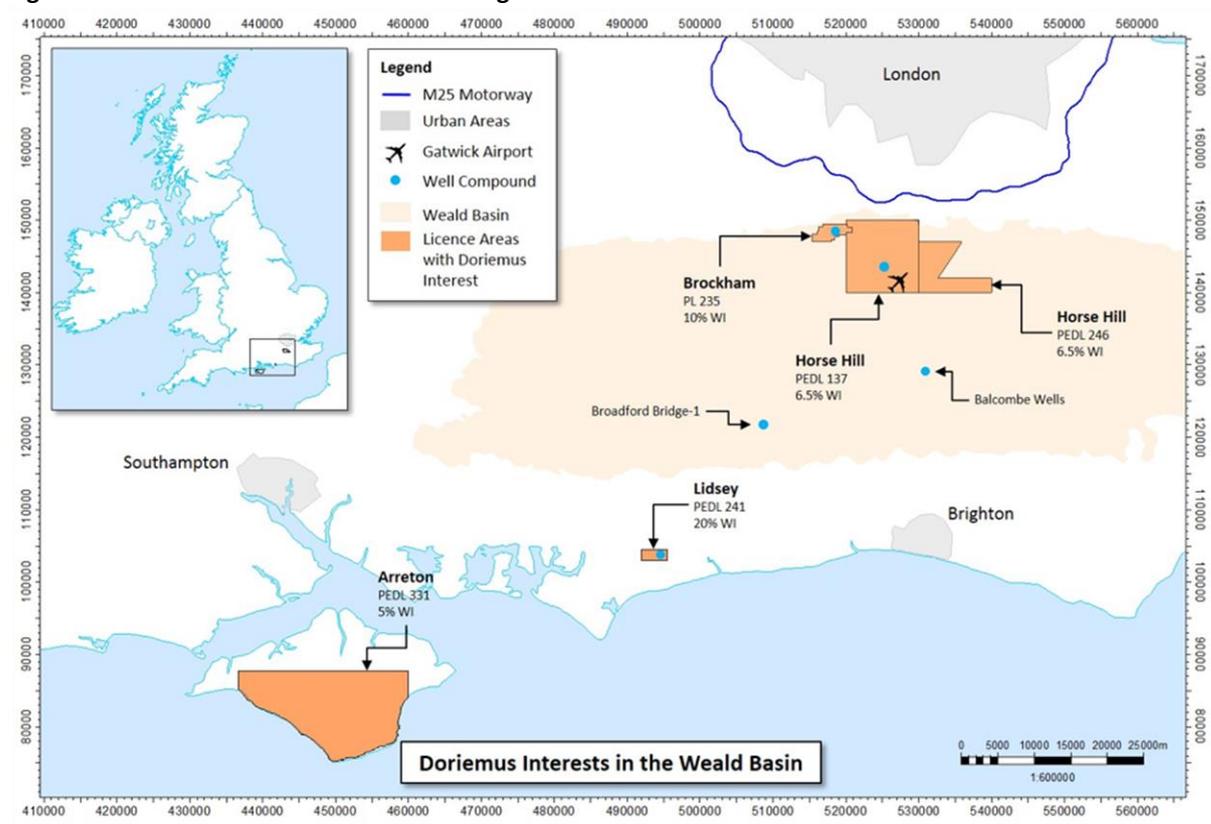
## Doriemus Plc interest in HH-1

Doriemus owns 10% of HHDL, which owns 65% of the Horse Hill Licences which hosts the HH-1 oil discovery well, or a 6.5% attributable interest in the licences. (See Figure 1 for location).

## QUALIFIED PETROLEUM RESERVES AND RESOURCES EVALUATOR STATEMENT:

*Pursuant to the requirements of the ASX Listing Rules, the technical information and resource reporting contained in this announcement was prepared 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.*

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



## CONTACTS:

For further information on this update or the Company generally, please visit our website at [www.doriemus.co.uk](http://www.doriemus.co.uk) or contact:

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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. Forward looking statements include but are not necessarily limited to statements concerning Doriemus's planned operations and other statements that are historic facts, when used in this announcement, the words such "could", "plan", "estimate", "expect", "intend" "may", "potential", "should" and similar expressions are forward looking statements. Although the expectations reflected in these statements are reasonable, they involve risks and uncertainties, and may be affected by many variables which could cause actual results or trends to differ materially. No assurance can be given that actual results will be consistent with these forward-looking statements.

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