

Doriemus Plc

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Corporate Information:
ASX Code: DOR

ASX / Media Announcement

17 January 2019

Oil Production and Sales Update from Horse Hill – Onshore UK

Doriemus Plc (ASX: DOR) (“Doriemus” or the “Company”), is pleased to announce that the operator of the conventional Horse Hill oil field, near London’s Gatwick international airport, has informed the Company that sustained production continues to be maintained from the HH-1 extended well test (“EWT”) programme, achieving a gross aggregate total of over 25,000 barrels (“bbl”) to date, a significant production milestone.

Of the aggregate total, over 21,000 bbl has been produced to date from the Kimmeridge Limestone (“KL”) oil pool, more than doubling November’s reported Kimmeridge production total. No formation water has been returned to surface during the entire EWT. Dry oil and solution gas production continues from HH-1.

Based on the continued Kimmeridge EWT success and October’s announcement of Portland commercial viability, the operator (Horse Hill Developments Limited “HHDL”) plans to continue HH-1 EWT production until the expiry of current permits in spring 2019 and then to move directly into the drilling and long term testing of two new horizontal wells, HH-2 and HH-1z, for which planning consent and environmental permits are in place. HH-1 is located in licence PEDL137 in which Doriemus holds a 6.5% beneficial interest.

Horse Hill 2018-19 EWT Key Oil Production Milestones:

- **Over 25,000 bbl total aggregate Kimmeridge and Portland oil production since early July.**
- **Over 21,000 bbl total Kimmeridge oil production since mid-October.**
- **114 tankers of crude successfully exported to Perenco’s Hamble oil terminal. The KL’s 40° API Brent quality crude continues to be sold at prevailing Brent crude oil prices, less a small deduction for handling and marketing.**

David Lenigas, Doriemus Executive Chairman, commented:

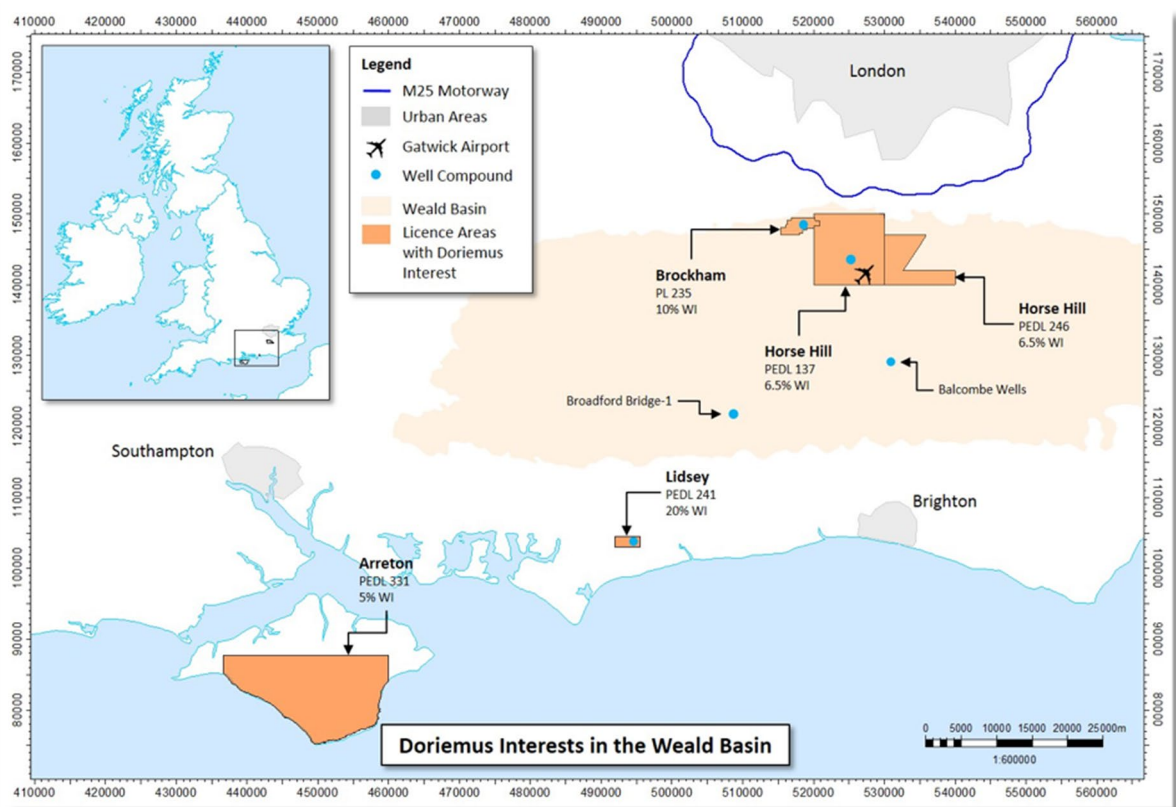
“The continued and very successful well testing programme of this exciting new onshore UK oil discovery near London’s Gatwick International Airport, supports the consortium’s plans to establish permanent production at Horse Hill in 2019. The plan is to now deliver near-continuous oil production throughout 2019 via a combination of long term testing of HH-1 and two new wells, followed by a smooth transition into permanent production in the UK winter.”



KL EWT Update:

- KL4 production from a 103 ft perforated interval commenced during late November, yielding 2,192 bbl at a maximum half-hourly metered rate of 584 barrels of oil per day (“bopd”) and at an average sustained daily continuous rate of 300 bopd over the subsequent week.
- Fluid and pressure build up data gathered from the KL4 test demonstrate that the KL3 and KL4 are one single oil pool of 358 ft vertical extent. As a result, and as previously indicated, a decision was made to commingle both KL3 and KL4 production (i.e. produce from both sets of perforations at the same time).
- Commingled KL3 and KL4 production from an aggregate 187 ft perforated interval commenced on 4th December at a maximum half-hourly rate of 426 bopd and continued throughout the Christmas and New Year period, producing 8,829 bbl of 40° API crude. The programme included several pressure build-up tests and testing of different pump configurations, settings and equipment.
- Following the installation of a new downhole pump and an optimised surface hydraulic pump unit, stable commingled production resumed on 7th January at an increased initial rate of 525 bopd. The sustained daily rate over the subsequent week averaged 303 bopd. A de-waxing treatment applied on 14th January led to an increase in hourly rate to 351 bopd. Commingled production continues.
- To date, the absence of produced formation water adds continuing support to the Company’s geological concept that KL oil lies within a significant continuous oil deposit.
- Planning and environmental permit applications for permanent oil production via a 7-well development were submitted to Surrey County Council and the Environment Agency on 7th December and 10th January, respectively. It is anticipated that all necessary permits should be in place by Autumn 2019, enabling a transition from EWT production into permanent production during winter 2019.

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



Doriemus Plc interest in Horse Hill:

Doriemus owns 10% of HHDL, which owns 65% of the Horse Hill Licences which hosts the HH-1 oil discovery well located in PEDL137 in the UK's onshore Weald Basin, 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.

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Glossary

°API	a measure of the density of crude oil, as defined by the American Petroleum Institute
oil field	an accumulation, pool or group of pools of oil in the subsurface that produces oil to surface.
extended well test	a well test, as per the permission granted by the Oil and Gas Authority, with an aggregate flow period duration over all zones of greater than 96 hours and up to 90 days maximum
flow test	a flow test or well test involves testing a well by flowing hydrocarbons to surface, typically 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 hydrocarbons at a commercial flow rate.

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.