

Doriemus Plc

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Non-Executive Chairman
Keith Coughlan

Technical Director
Greg Lee

Non-Executive Director
Don Strang

Corporate Information:
ASX Code: DOR



ASX / Media Announcement

25 October 2019

Quarterly Activity Report to 30 September 2019

Highlights

Australia:

- **WA onshore block L15 containing the permitted West Kora oil field.**
 - Company continues preparation for bringing West Kora 1 back onto production for an extended well test.
- **WA onshore petroleum exploration permit block EP 487**
 - EP 487 farmout agreement terminated 5 August 2019.

United Kingdom:

- **Horse Hill 2 Well Drilling**
 - Horse Hill well no 2 drilling commenced on the vertical pilot hole.
- **Horse Hill Extended Well testing**
 - The well was shut in briefly whilst the drilling rig was mobilised and rigged up on site.
 - Production continues during drilling operations from the Kimmeridge formation.
- **Brockham**
 - Awaiting operator update since their last announcement stating that they had entered into preliminary discussions with a third party regarding a proposed sale of the Operator's 65% interest in the Brockham license.

Doriemus Plc (ASX: DOR) ("Doriemus" or the "Company"), is please provide the Quarterly Activities for the period representing the 3 months to 30th September 2019 (the "Period") and material events post the end of the Period.

OPERATIONAL ACTIVITIES FOR THE QUARTER TO 30 SEPTEMBER 2019

ONSHORE WESTERN AUSTRALIAN ASSET BLOCK L15:

Doriemus continues to work towards perfecting all permitting, safety, environmental and operational management systems in preparation for the intended long term extended well test on West Kora.

There has been some unexpected delays in finalising a draft heritage protection agreement with the traditional owners which, until the agreement has been approved by all parties, prevents Doriemus having access to the well site to commence any works. The relevant parties are seeking to resolve the matter and will provide another update in due course.

Wells on Permit

The L15 permit contains two wells, Kora-1 and West Kora-1, drilled by Esso Australia Limited in 1982 and 1984 respectively, approximately 20km east-northeast of Derby, in the westernmost onshore part of the Lennard Shelf. (See Figure 1.)

Well Kora-1 (K-1) found evidence of hydrocarbons but not in sufficient enough quantities for commercial production at that time, additionally the well was thought to have been drilled on the edge of a mapped structural closure which was not the optimal location.

Well West Kora-1 (WK-1) was drilled to the North West of K-1 in a prognosed structurally better location and successfully tested hydrocarbons and then finally placed on long term production.

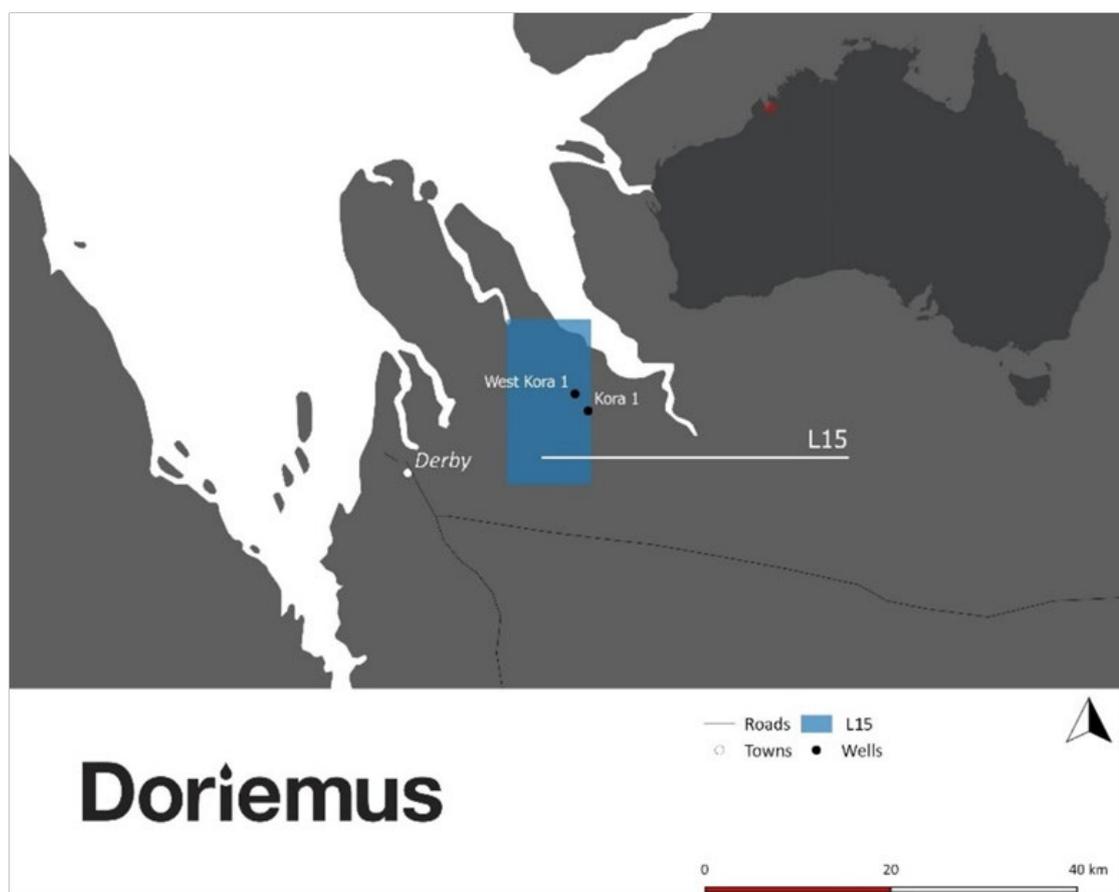


Figure 1 Location of L15 and West Kora 1

ONSHORE WESTERN AUSTRALIAN BLOCK EP487:

On the 5th of August 2019, Doriemus announced to the market that it had received a notice of termination of the relevant EP 487 Farmout Agreement from Rey Resources Limited (ASX: REY). The EP487 Farmout Agreement was terminated by Rey Resources Limited as result of Doriemus not satisfying the relevant condition precedent to have sufficient funding in place by 31 July 2019 in order to undertake the drilling of an exploration well (Butler prospect) proposed as part of the relevant farm in obligations on EP487.

The termination ceases the right of Doriemus to earn an interest in EP487 and brings the EP487 Farmout Agreement to an end.

UK OIL PRODUCTION AND EXPLORATION:

HORSE HILL (“HH”) PETROLEUM EXPLORATION AND DEVELOPMENT LICENSE:

Doriemus currently owns 4% of Horse Hill Developments Limited (“HHDL”), which owns 65% of two Petroleum Exploration and Development Licences (“PEDL”) PEDL137 and PEDL246 in the northern Weald Basin between Gatwick Airport and London. The PEDL137 licence covers 99.29 km² to the north of Gatwick Airport in Surrey and contains the Horse Hill-1 (“HH-1”) discovery well. PEDL246 covers an area of 43.58 km² and lies immediately adjacent and to the east of PEDL137 which hosts the HH-1 oil discovery well located in PEDL137 in the UK’s onshore Weald Basin. This equates to a 2.6% attributable interest in the licences. (See Figure 2 for location.) HHDL is the nominated operator (“Operator”) of the Horse Hill License.

On the 2nd of August, the Company announced that:

The aggregate test production from the HH-1 discovery well had exceeded 60,186 barrels (“bbl”) of oil from the Portland and Kimmeridge reservoirs at the Horse Hill oil field.

On the 12th of September, the Company announced that:

The UK’s Surrey County Council’s (“SCC”) Planning and Regulatory Committee granted full planning consent for long-term oil production at the Horse Hill oil field. The important planning consent gives permission to produce oil over a period of 25 years at up to 3,500 barrels of oil per day from a total of six wells within the Portland and Kimmeridge oil pools, including the existing HH-1 and the Horse Hill-2/2z (“HH-2/2z”) horizontal well currently being drilled. Consent also includes permission to drill one water reinjection well to help maximise oil recovery. All existing and future wells will be drilled from within the existing 20 x 15 metre concrete pad. No further drilling sites beyond Horse Hill are required.

The approval is welcomed as it means that the field’s immediate oil production from HH-1 and HH-2/2z will no longer be limited to existing extended well test planning consents. The ability to produce over the field’s economic lifespan also enables the transfer of current and future assigned recoverable resource volumes into the category of Reserves, which, by definition, conveys with more certainty that a known volume of petroleum can be produced commercially over a given time.

On the 13th of September, the Company announced that:

Total aggregate Portland and Kimmeridge test production now stands at a landmark 66,127 bbls of light, sweet, dry oil. bbl.

Kimmeridge production is planned to continue during the drilling campaign. Final site works to accommodate the arrival of the rig to drill the new HH-2/2z. Portland horizontal well commenced at 1200 hrs, Friday 30th August and were now complete.

The rig was scheduled to arrive later in September to commence drilling and coring the HH-2 vertical pilot hole and that the horizontal well section, HH-2z, with a planned trajectory of up to 1000m wholly within the Portland reservoir, will follow directly afterwards.

On the 25th of September, the Company updated the market on the drilling of HH 2/2Z announcing that:

Operations had commenced onsite in preparation for the drilling of HH 2/2Z.

On the 1st of October (post the reporting period), the Company updated the market on the drilling of HH 2/2Z announcing that:

Drilling operations for the new HH-2/2z Portland Sandstone well commenced on Sunday morning, 29 September.

HH-2/2z is the first of two new horizontal wells in the field's Portland oil pool and is designed to be retained as a future production well that should be capable of delivering flow rates higher than the results obtained from the extended well test of the HH-1 Portland production.

Also that following a planned extensive HH-2z production flow-testing campaign, both the HH-2z Portland Sandstone well and the HH-1 Kimmeridge Limestone well are expected to be put into long term production by the end of 2019.

On the 9th of October (post the reporting period), the Company updated the market on the drilling of HH 2/2Z announcing that:

HH-2/2Z 12 ¼" hole has been drilled to a current total depth of 615.4 m (1019 ft) from the Rotary Table (RT). And that the 9 5/8" Casing has been successfully run, set and cemented to surface.

The next stage was to drill the 8 ½" hole to coring point where 3 x 18.3 m (60 ft) cores are expected to be drilled through the oil bearing Portland reservoir.

The coring program is planned to allow the acquisition of key reservoir and formation data that will ensure the planned 1000m HH-2z horizontal section is drilled in the best possible section of the Portland in the most productive zone with best reservoir characteristics. And that it is intended to complete drilling the vertical pilot hole followed by the drilling of the horizontal section using the HH-2 wellbore to drill the horizontal sidetrack.

On the 14th of October (post the reporting period), the Company updated the market on the drilling of HH 2/2Z announcing that:

Coring operations had commenced and that the operator had decided to take an additional 18.3 m core from the original plan making it 4 x 18.3 m cores. This was due to some third party petrophysical interpretation that the operator had acquired that interpreted a potentially deeper oil water contact in the field. This interpretation has now been received by Doriemus but until final analysis of cores and logs have been performed the findings of the third party interpretation cannot be confirmed.

BROCKHAM PRODUCTION LICENSE:

The Brockham Licence is 8.9km² in size and is located in the north portion of the onshore UK Weald Basin in Surrey south of London (10km N-W) London's Gatwick International Airport (See Figure 2). Doriemus owns a 10% direct interest in the Brockham Oil Field which is held under UK Production Licence PL235 and operated by Angus Energy Plc (the "Operator").

On the 1st of July, the Company announced that:

Doriemus Plc had received notification via a public announcement from the operator of the Brockham licence, Angus Energy plc, (the "Operator") regarding the testing of Brockham X4Z well as detailed below.

- Works on the BR-X4Z were completed and after the operators inhouse analysis of the results, it is their opinion that the stimulation techniques and application of the technique employed by the Operator had not succeeded on the Kimmeridge formation in the well.

- Additional stimulation techniques had been ruled out by the present Operator.
- Whilst the Operator evaluates options for the site, including addressing the Portland reservoir and using the older BR-X1 well for water disposal, the Operator announced that it has entered into preliminary discussions with a third party regarding the proposed sale of the Operator's 65% interest in the Brockham license.

As a result of this recent development, and noting the announcement of the intention of the Operator to dispose of its own interest, Doriemus will also be reviewing all of its options in connection with its interest in the Brockham asset and the work programme. The Company will provide a further update upon any material developments occurring.

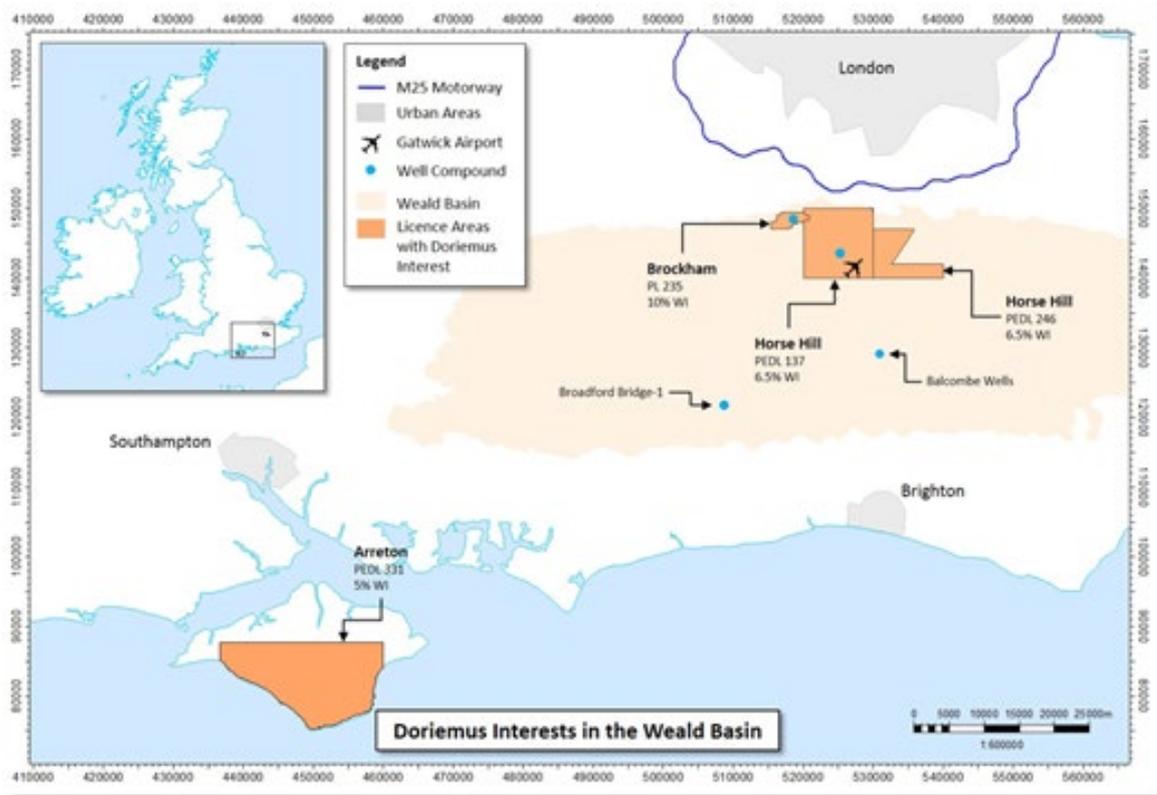


Figure 2: Doriemus Plc's UK based Oil and Gas Assets:

ISLE OF WIGHT:

On the 21st of August 2019, the company announced that it had been informed by the operator of PEDL 331 UK Oil & Gas plc ("UKOG" or the "Operator") that the UK Oil and Gas Authority ("OGA") has granted a two-year extension to the expiry of the initial terms of the PEDL331 License such that the initial terms are now not due to expire until at least 20 July 2023.

The Company understands that the extension should allow for sufficient time for the Operator's previously reported multiple well appraisal and exploration drilling campaign to be conducted and completed fully within the extended time frame.

Doriemus has a 5% participating interest in a 200km² onshore Isle of Wight Petroleum Exploration and Development License ("PEDL 331"). The Company has historically considered this asset to be a passive investment but given the plans for drilling and development as set out below, the Company may consider this to be a more active investment.

The Isle of Wight PEDL331 Arreton license contains a discovery well Arreton plus several geologically similar prospects Arreton South and North prospects.

Drilling of the Arreton-3/3z appraisal well with an expected extended flow test (EWT) is now scheduled to commence in the United Kingdom Autumn 2020, subject to the grant of necessary regulatory consents.

The Arreton South and North prospects are believed to contain Portland formation oil with further upside believed to be contained in both prospects within the underlying Inferior Oolite sequence.

The Operator also advised that they have also recently identified a further large undrilled anticlinal structure, the Arreton East Prospect. Initial mapping shows this feature to be many times larger than both the Arreton oil discovery and Arreton South prospect combined. Further work needs to be performed.

Following completion of Arreton-3/3z, the Operator has advised that it currently plans to proceed directly to drill Arreton South, and if regulatory permissions are in place, to proceed directly to drill Arreton East in the United Kingdom Winter of 2020/21. The proposed United Kingdom Autumn/Winter drilling is designed deliberately to avoid the island's tourist season.

GREENLAND

No significant activity has occurred through this reporting period on the Greenland interests.

Corporate Activity

On 17 July 2019 the Company announced that Mr Hamish Harris resigned from the position of Non-executive Director to pursue other business interests. The Company also advised that Mr Donald Strang had stepped down from the position of Executive Director to Non-executive Director.

CONTACT:

For further information on this update or the Company generally, please visit our website at www.doriemus.co.uk or contact:

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FORWARD LOOKING STATEMENTS AND IMPORTANT NOTICE:

This announcement may contain 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. In respect to its UK operations, Doriemus is reliant on the information provided by the operators of those assets and does not control the day to day operations of these projects and is not always able to independently verify the information provided by such operators. Actual results and developments may differ materially from those expressed or implied. 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. 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 announcement 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 announcement.

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

QUALIFIED PETROLEUM RESERVES AND RESOURCES ESTIMATOR STATEMENT:

Unless otherwise specified or referenced, 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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

DORIEMUS PLC (DOR)

ARBN

619 213 437

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter GB£'000	Year to date (12 Months) GB£'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(80)	(400)
(b) development	-	-
(c) production	-	-
(d) staff costs	(68)	(441)
(e) administration and corporate costs	(53)	(199)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (a) VAT / GST	-	-
1.9 Net cash from / (used in) operating activities	(201)	(1,040)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter GB£'000	Year to date (12 Months) GB£'000
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	72	1,711
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	72	1,711

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,004	209
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(201)	(1,040)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	72	1,711
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	(7)	(12)
4.6 Cash and cash equivalents at end of period	868	868

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter GB£'000	Previous Quarter GB£'000
5.1 Bank balances	868	1,004
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	868	1,004

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current
quarter
GB£'000**

(68)

-

Directors salary, fees, superannuation and exploration consultancy, related to the current and prior quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current
quarter
GB£'000**

-

-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end GB£'000	Amount drawn at quarter end GB£'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	GB£'000
9.1 Exploration and evaluation	(40)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(30)
9.5 Administration and corporate costs	(30)
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	(100)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Company secretary

Date: 25 October 2019

Print name: Julia Beckett

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.