

## Upland Resources\*

21 May 2018

### Stock Data

Share Price:	3.65p
Market Cap.:	£16.8m
Shares in issue:	459.0m
Fully diluted equity	480.8m

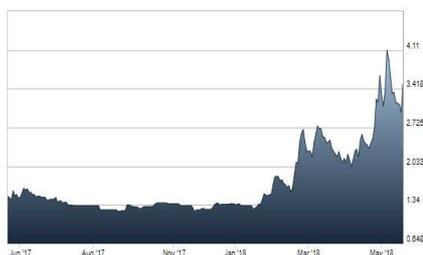
### Company Profile

Sector:	Oil & Gas
Ticker:	UPL
Exchange:	LSE

### Activities

Oil and gas exploration, appraisal and development in the UK onshore and offshore sectors augmented by longer term opportunities in Sarawak, Malaysia.

### Performance Data



Source: LSE

### Directors

Stephen Staley:	CEO
Norza Zakaria:	Chairman
Jeremy King:	Non-Executive Director
Bolhassan Di	Non-Executive Director

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\*Optiva Securities acts as broker to Upland Resources Limited

## Company update

**Upland has made significant progress over the last six months. In particular, it has established the financial capability to satisfy its obligations with regards to its interest in North Sea Licence P2235 which contains the exciting Wick prospect. In addition, the company has signed an MOU to explore for and develop oil and gas opportunities in Sarawak, Malaysia which could provide significant longer term upside for the company.**

In December 2017, Upland signed a farm-in agreement with Corallian in regard to a 40% interest in UK Seaward Production Licence P2235 located on UKCS Block 11/24b. This licence contains the Wick Prospect, located in the Inner Moray Firth offshore northeast Scotland, only 2km from land. Wick is a large prospect which Upland estimates to contain P50 oil-in-place resources of approximately 250 mmbbls.

Significant progress has been made on licence P2235 since the beginning of the year. An environmental survey was completed successfully in early February 2018 and at the end of the same month, Upland confirmed that it had sufficient funds to satisfy its obligations under the farm-in agreement with Corallian. This position was consolidated in May 2018 when the UK OGA gave formal consent to Upland as a farm-in on the licence.

On the funding front, Upland commenced 2018 with nearly £2.0m of cash on the balance sheet. This was augmented in February 2018 when the company issued 74.1m shares at 1.35p per share to Tune Assets Limited to raise a further £1.0m before expenses. Upland's financial capabilities were bolstered further in March 2018 when the company issued £3.5m of loan notes in regard to a facility provided by Tune Assets, Upland Chairman, Norza Zakaria and clients of Optiva Securities.

These loan notes are interest free and may be called upon by Upland at any time and in any size. Upland may also terminate any commitments under this facility and make repayments of any size without penalty. The loan notes and fees payable can be paid by the issue of new shares in Upland valued at a 10% discount to the volume weighted average price of the shares over the five days prior to issue or can be repaid in cash at Upland's option.

While making strong progress with regards to licence P2235, Upland has reoriented its portfolio substantially. In the UK, the company terminated the Wressle development farm-in agreement in January 2018 following the refusal of planning permission from North Lincolnshire Council. Upland's initial deposit of £160,000 was returned by Europa Oil & Gas and Upland has no further obligations in regards of Wressle.

Upland has also entered into a MOU with Brooke Dockyard and Engineering Works Corp, a Sarawak state entity, for the joint assessment of exploration and development projects in the state of Sarawak in Malaysia. Following a series of meetings in Sarawak, Upland has confirmed that plans for greater Sarawakian independence in upstream oil and gas are unchanged after the recent national election. In addition, the Sarawak state oil company, Petros, is moving to take an active role as issuer of oil and gas permits and preference for new contracts will be given to Sarawakian companies and their JV partners.

**The operator of licence P2335, Corallian Energy, recently entered into a letter of intent for the provision of a jack up rig to drill the Wick exploration well with offshore drilling service provider, Ensco UK Ltd. Subject to the appropriate consents, Upland expects that high impact drilling is likely to commence in Q3 2018. With the Wick structure estimated to hold in-place resources of up to 250 mmbbls, we believe that a successful drilling result has the potential to provide upside to Upland worth several multiples of the current share price.**

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