

Upland Resources*

5 June 2019

BUY

Stock Data

Share Price:	2.1p
Market Cap.:	£12.3m
Shares in issue:	585.5m
Fully diluted equity	606.3m

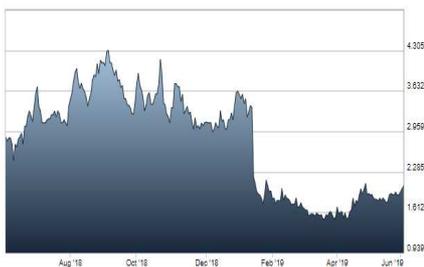
Company Profile

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 Malaysia and Tunisia.

Performance Data



Source: LSE

Directors

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

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*Optiva Securities acts as broker to Upland Resources Limited

UK North Sea augments Upland portfolio

Upland and its partners have been offered exclusive permits over seven blocks and part blocks located in the Inner Moray Firth (IMF) of the UK North Sea as part of the UK's 31st Offshore Licensing Round. These licences are highly prospective containing several potentially exciting prospects. The initial work commitments for Upland are modest at this stage with Phase A of each Innovate licence requiring 3D reprocessing followed by a drill or drop decision within three to four years.

The UK OGA announced the results of the UK's 31st Offshore Licensing Round on 4 June 2019 (See map overleaf). Within this, Upland has been offered a 40% working interest in seven blocks which are Blocks 12/27 (split), 17/5, 18/1 and 18/2 in the IMF South Basin and Blocks 11/23, 11/24c and 11/25b (split) in the IMF North Basin. The offer of 'Innovate licences' in each case is to Upland (40%) and its partners including Corallian Energy Limited (operator) also with 40%, Baron Oil plc (15%) and Corfe Energy Limited with 5%.

Within the IMF South area, Block 12/27 (split) contains a large prospect located updip of a gas column discovered by well 12/27-1 drilled by Burmah in 1982 and 1983. The well targeted the Middle Jurassic Beatrice Formation sandstones and flowed 98.6% pure methane at 9.5 mmcfpd from a 14 metre interval at a depth of 1,109 metres. The reservoir was also oil stained and Corallian interprets the structure to have been oil charged to structural spill and to have spilled updip to a series of fault block closures on the Central Ridge culminating in a gas cap with direct hydrocarbon indicators (DHI).

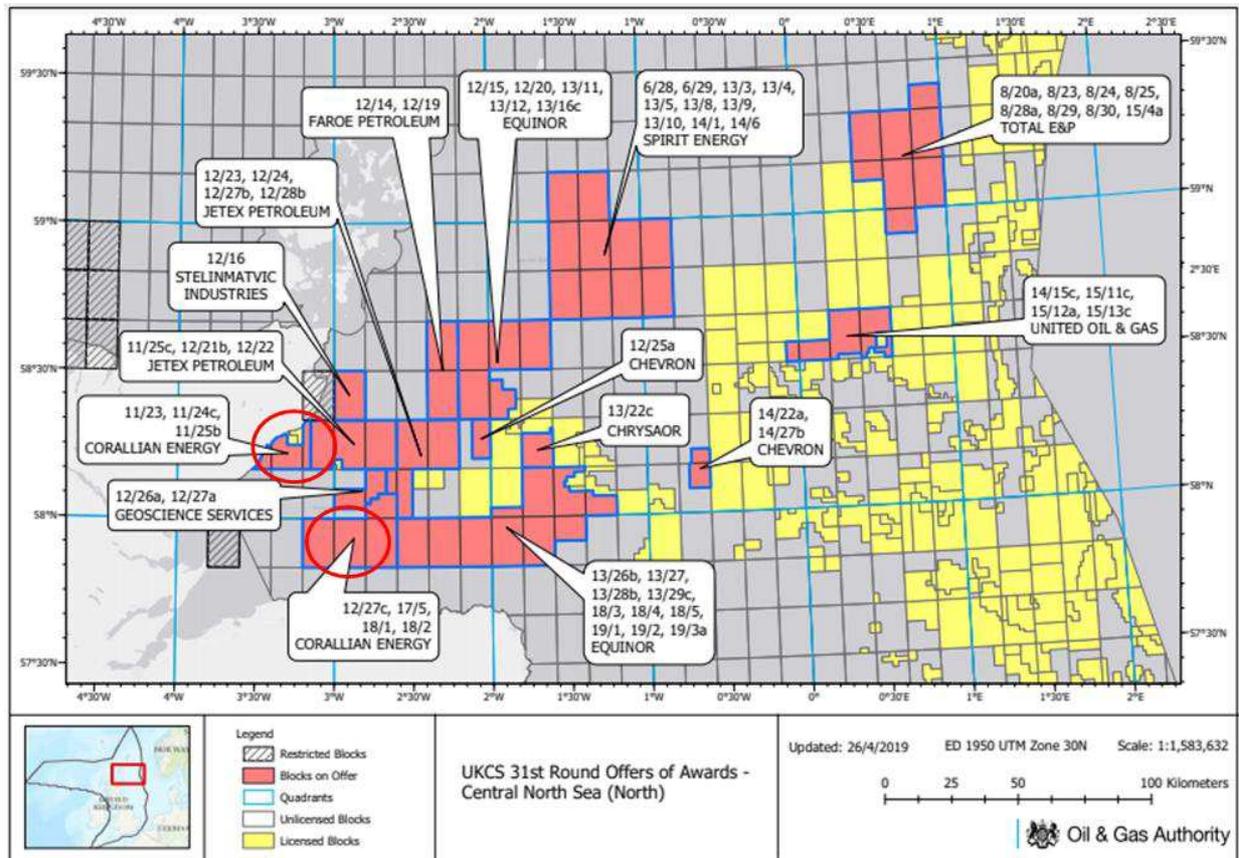
This is the Dunrobin prospect which has estimated mean prospective recoverable resources of 187 mmboe. The smaller Golspie prospect, a separate fault block and also updip of well 12/27-1 has estimated mean prospective resources of 21.5 mmboe. The respective geological chances of success for each prospect are 34% and 43% with the primary risks being cross fault seal and oil preservation at shallow depths. Within Phase A of the Innovate licence, Upland and its partners must complete 3D seismic reprocessing and make a drill or drop decision with four years for the IMF South licences.

In the IMF North area, the licences form a contiguous area located near to the Scottish coast 135 km north west of Aberdeen in shallow water depths of c.30 metres. Block 11/24c contains the Knockinnon Beatrice age oil discovery located only 7 km south of the Lybster field. Knockinnon was discovered by well 11-24a-2 and its sidetrack drilled in 2000 by Talisman and is estimated by Corallian to contain 8 mmbbls of recoverable prospective resources. The nearby Forse channel amplitude anomaly is also estimated to contain a further 4 mmbbls of recoverable oil from the Upper Jurassic 'Buzzard' ages sandstones.

There are several additional prospects underlying Knockinnon including the Whaligoe, Camster and Camster south prospects. In addition, the Dunbeath prospect on Block 11/23 is believed to be an attractive three-way upthrown fault bounded trap. Within Phase A of the Innovate licence, Upland and its partners must complete 3D seismic reprocessing and make a drill or drop decision with three years for the IMF North licences.

This news represents exciting progress for the company given that the Moray Firth area attracted several bids including successful ones from Chevron and Equinor in adjacent areas. Upland now has a significant 40% working interest in a portfolio of seven new blocks and part blocks which contain a range of large and potentially exciting discoveries and prospects. This is complimented by the structure of the Innovate licence approach which means that the initial work commitments remain modest as Upland also progresses its other activities in Tunisia and Sarawak, Malaysia.

Location of Upland's new North Sea assets in the North and South IMF



Source: OGA

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