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Jersey Oil and Gas PLC
17 November 2023

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Jersey Oil and Gas plc

("Jersey Oil & Gas", "JOG" or the "Company")

FPSO Acquisition

Jersey Oil & Gas (AIM: JOG), an independent upstream oil and gas company focused on the UK Continental Shelf region of the North Sea, is pleased to announce that the owners of the Buchan field licences, JOG and NEO Energy ("NEO"), have executed agreements to acquire the "Western Isles" floating production, storage and offloading ("FPSO") vessel. The FPSO will be used as the processing facility for the planned redevelopment of the Buchan field.

Highlights:

- Western Isles FPSO, which has been operational since 2017, acquired for planned redevelopment of the Buchan field - high-quality vessel that is currently operating in the UK North Sea
- JOG to receive a $9.4 million cash payment from NEO pursuant to the terms of the farm-out transaction announced on 6 April 2023 - the milestone payment in respect of finalisation of the Greater Buchan Area ("GBA") development solution
- Work progressing at pace on Front-End Engineering and Design ("FEED") activities in order to facilitate Field Development Plan ("FDP") approval in 2024

Andrew Benitz, CEO of Jersey Oil & Gas, commented:
"Finalising the terms for the joint venture partners to acquire the FPSO, which is less than eight years old and requires relatively modest adaptation for our planned GBA redevelopment, is a tremendous milestone for the project.

"Re-using existing high-quality infrastructure and modifying it to be electrification-ready is exactly in line with our stated low carbon strategy and the net zero related objectives of the industry. The vessel is the cornerstone to completing the engineering work required to facilitate FDP approval for the Buchan redevelopment next year."

GBA Development Solution
In July 2023, it was announced that the preferred solution for the redevelopment of the Greater Buchan Area ("GBA") was via the redeployment of an FPSO. This solution benefits from being both the lowest cost development option and the one that results in the lowest full-cycle carbon footprint of all the potential options evaluated. This conclusion was driven by the ability to re-use existing infrastructure that can be located directly at the Buchan field and, with limited modifications, make the FPSO "electrification-ready" upon its redeployment. This will enable the vessel to have the potential to be connected to one of the anticipated third-party floating wind power developments that are intended to be located in close proximity to the GBA following the recent Innovation and Targeted Oil & Gas ("INTOG") licence awards made by Crown Estate Scotland.

Importantly, the preferred development solution aligns with the North Sea Transition Authority's ("NSTA") obligations to maximise the economic recovery of reserves and assist with achieving the UK government's net zero target. Consequently, the NSTA issued a letter confirming it had no objections to the Concept Select Report submitted in support of the Buchan re-development programme utilising the redeployment of the Western Isles FPSO.

FPSO Acquisition
The Western Isles FPSO that is being acquired by NEO on behalf of the Buchan field partners is currently operating in the UK North Sea and is owned by Dana Petroleum (E&P) Limited (76.9188%), as operator, and NEO (23.0812%). The FPSO is a high-quality vessel that has been in operation since early 2017 and is scheduled to

(23.0812%). The FPSO is a high quality vessel that has been in operation since early 2017 and is scheduled to come off-station as part of the planned cessation of production of the Western Isles fields around the second half of 2024. The operational capabilities of the vessel, along with its relatively limited service-life to date, make the FPSO an excellent fit for use on the planned redevelopment of the Buchan field.

Following handover of the vessel to NEO, as the Buchan field operator, it is planned for a relatively modest work programme to be undertaken in order to prepare the FPSO for redeployment on Buchan. The works will essentially involve the installation of water injection booster pumps, produced water injection modifications and preparation of the vessel for future electrification. These modifications are expected to be completed by early 2026, such that the vessel can be deployed to the field location and hooked up ready for the anticipated start-up of production in late 2026.

Agreements have been executed to acquire the 76.9188% interest in the vessel not currently owned by NEO. The main terms of the acquisition commit the Buchan field partners to acquire the vessel upon the approval of the Buchan FDP. Prior to this milestone being achieved, the Buchan partners are responsible for the costs of storing the vessel from the date of handover, which is anticipated to be in the second half of 2024. The FPSO acquisition and associated costs forms part of the previously announced farm-out carry arrangements agreed between NEO and JOG.

NEO Farm-out Transaction

As a result of executing the FPSO acquisition agreement, the Company is now due to receive a further cash payment from NEO of $9.4 million associated with finalisation of the GBA development solution.

Further to the farm-out transaction completed with NEO earlier this year, the Company has a 50% working interest in the GBA licences. Through the expenditure carry arrangements agreed with NEO, the Company is being fully carried for its 50% share of the estimated $25 million cost to take the Buchan field through to FDP approval. The Company will also be carried for 12.5% of the Buchan field re-development costs (equivalent to a 1.25 carry ratio).

In line with JOG's stated strategy to farm-out a further interest in the GBA licences, it is targeted for the Company to ultimately retain a fully carried 20-25% interest in the Buchan re-development.

Buchan Development Activities

Work is currently progressing well on the FEED studies that require completion ahead of FDP approval and the development moving into the execution phase of activities. This work primarily involves specification of the planned drilling programme, the design of the subsea infrastructure connecting the wells to the FPSO, and finalisation of the modifications programme that is required to prepare the FPSO for redeployment. Additionally, preparation of the Environmental Statement for the Buchan redevelopment is on-going and it is expected that this will be submitted to the regulator prior to the end of the year, along with the draft FDP.

The first phase of the planned GBA work programme involves re-development of the Buchan field, with the start-up of production targeted for late 2026. Subsequent phases are expected to involve the tie-back of the Verbier and J2 discoveries that lie within the GBA licence area and the potential for regional third-party discoveries to be tied back to the FPSO.

Corporate Presentation

An updated presentation with further details on the Buchan redevelopment project has been uploaded to the Company's website.

Enquiries:

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Notes to Editors:

Jersey Oil & Gas is a UK E&P company focused on building an upstream oil and gas business in the North Sea. The Company holds a 50% interest in each of licences P2498 (Blocks 20/5a, 20/5e and 21/1a) and P2170 (Blocks 20/5b and 21/1d) located in the UK Central North Sea and referred to as the "Greater Buchan Area". Licence P2498 contains the Buchan oil field and J2 oil discovery and licence P2170 contains the Verbier oil discovery.

JOG is focused on delivering shareholder value and growth through creative deal-making, operational success and licensing rounds. Its management is convinced that opportunity exists within the UK North Sea to deliver on this strategy and the Company has a solid track-record of tangible success.

Forward-Looking Statements

This announcement may contain certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with an oil and gas business. Whilst the Company believes the expectations reflected herein to be reasonable in light of the information available to it at this time, the actual outcome may be materially different owing to factors beyond the Company's control or otherwise within the Company's control but where, for example, the Company decides on a change of plan or strategy.

All figures quoted in this announcement are in US dollars, unless stated otherwise.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.

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