



2nd November 2016

**Victoria Oil & Gas Plc
("VOG" or "the Company")**

Logbaba Development Wells Spudded

Gaz du Cameroun S.A. ("GDC"), the Company's Cameroon gas producing and distributing subsidiary, is pleased to announce the spudding of development wells La-107 and La-108 in the Logbaba Gas Field located in Douala, Cameroon. The wells are being drilled by Savannah Oil Services Cameroon S.A. ("Savannah") using the Komako 1 drilling rig.

The new wells are required to meet the growing market demand for gas in Douala, to develop Logbaba reserves and to move some of the 2P (Proven plus Probable) reserves into the 1P (Proven) reserve category. One of the wells, La-107, will twin the La-104 well drilled in 1957; the other well, La-108, will be a 'step-out' well that will be drilled into a target that is intended to prove up more of our Probable reserves. Both wells will be drilled directionally from a drilling pad adjacent to the Logbaba processing plant, and will be tied into this facility once completed. The La-104 twin well is almost vertical; whereas La-108, the 'step-out' well, will be drilled to intersect a target that is about 1,100m to the south-east of the Logbaba drilling pad.

The wells are intended to be production wells completed in the Upper Cretaceous (Campanian and Santonian) Logbaba Formation, which is a thick sequence of interbedded sands and shales found at depths between 1,700m and 3,200m below the surface. In addition to developing the gas reserves in the Logbaba Formation, one of the wells, La-107, has an additional objective of an 'exploration tail.' This is to be drilled from the base of the Logbaba Formation down to 4,200m below the surface to test the hydrocarbon potential of the Lower Cretaceous Mundeck Formation which had gas shows and a significant gas kick in La-104 (which is twinned by La-107). Execution of the exploration tail is dependent on well conditions to be established during the drilling programme.

The budget total for the two well programme, without the exploration tail, is approximately \$40m, which is expected to be funded by revenue and partner contributions.

The Komako 1 drilling rig is owned and operated by Savannah. It is a 1500 HP rig that is mounted on rails; the rail system allows the rig to be moved back and forth between the two wells as they are 'batch drilled'. The rig has been assembled, tested, commissioned and has passed an independent 3rd party rig inspection audit prior to spud. Drilling is scheduled to complete in Q2 of 2017.

This announcement contains inside information.

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Notes to Editors

About Victoria Oil & Gas Plc

Victoria Oil & Gas (VOG.L) is a gas utility company.

The Company's subsidiary, Gaz du Cameroun S.A. ("GDC") owns a 60% participating interest and operates the onshore Logbaba Gas Project. The Logbaba Gas Project supplies cost effective, clean and reliable natural gas to industries in the Douala region of Cameroon. RSM Production Corporation, an affiliate of Grynberg Petroleum Company of Denver, Colorado holds the remaining 40% participating interest. In addition, VOG has recently been assigned a 75% participating interest in the Matanda block, which neighbours the Logbaba block. The remaining 25% participating interest is held by AFEX.

VOG also holds 100% of the West Medvezhye oil and gas exploration project near Nadym, Russia. Given the challenging economic environment in Russia, the Group has fully impaired the West Medvezhye assets.