



5 January 2018

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

Gas Supply Contract with ENEO Not Extended

Victoria Oil & Gas Plc ("the Company") announced on 26 June 2017 that it had extended a gas supply agreement with ENEO Cameroon S.A. ("ENEO"), the Cameroon energy joint venture between UK Group Actis and the Cameroon Government, until 31 December 2017, whilst negotiations to agree a new long-term contract continued.

ENEO has informed Gaz du Cameroun S.A. ("GDC") that it is not currently in a position to extend the gas supply agreement and has ceased taking gas from GDC. ENEO is actively discussing potential solutions to this situation with the Government of Cameroon and the Power Regulator in Cameroon. VOG believes this is a temporary issue and expects a resolution in the short to medium term.

ENEO has advised the Company that it faces considerable uncertainties in terms of generation costs that can be passed on as tariffs to end users, large payment arrears from the Cameroon Government and doubts over long term power payment security. Until such issues are resolved, the Company does not believe that ENEO will be able to underwrite the financial aspects of the extension of the contracts with GDC and Altaaqa Global Solutions ("Altaaqa"); the providers of the gas fired generators, or enter into long term financial commitments at this time. ENEO has advised that it is very pleased with the service provided by GDC and Altaaqa and that the suspension is as a result of factors beyond GDC's and Altaaqa's control.

Whilst the suspension of the ENEO supply will clearly directly affect GDC in the short term (it represents an estimated 53% of Logbaba project gas sales revenues for the year ended 31 December 2017), the Company supplies gas to a diverse customer base and will continue working with these customers and other investors in the region to place the newly available gas.

ENEO currently owes GDC approximately \$8.7 million gross, which the Company expects will be paid in due course.

As a result of ENEO ceasing to take the gas from VOG, the Company will immediately undertake an assessment of the Company's capital projects and its wider budget and cash flow forecasts, in order to best position the Company to deal with this outturn. The Company intends to provide a comprehensive update of 2017 performance and outline the strategy for 2018, later this quarter.

Ahmet Dik, CEO of VOG commented, “Cameroon has a very important industrial hub in Douala that has seen significant growth and cross border investment over the last five years, both into manufacturing and the power sector.

We remain confident that ENEO and the Government will rapidly find a solution that will allow GDC to continue to supply gas to ENEO and to build on the relationships we have developed with all stakeholders over the past three years.

Cameroon is an area that is in critical need of more power, with an estimated demand in excess of 150mmscf/d of gas in the Douala basin. We remain focused on increasing thermal customer demand in Douala whilst also continuing to supply gas to our 30 other customers, building non-grid solutions for its industrial customers and advancing the compressed natural gas business whilst maintaining our strong position as the sole provider to the region.”

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NOTES TO EDITORS:

Victoria Oil & Gas Plc ("VOG" or "the Company") is a fully-integrated onshore gas producer and distributor with operations located in the port city of Douala, Cameroon. Through the Company's wholly-owned subsidiary, Gaz du Cameroun S.A. ("GDC"), VOG delivers gas via a 50km gas distribution pipeline network to a range of major industrial customers.

Since spudding its first wells in 2010, the Company has grown to become the dominant player in the Cameroon onshore gas market, primarily through the 57% owned Logbaba gas project. GDC is partnered on this project with RSM Production Company ("RSM"), and Société Nationale des Hydrocarbures ("SNH"), who have holdings of 38% and 5% respectively.

Subject to government approval VOG will extend its acreage over 3,500km² of the highly prospective Douala Basin with the addition of the Matanda and Bomono license areas. A recent drilling programme on the Logbaba asset has added further gas reserves to meet the growing demand for gas in Cameroon.

Victoria Oil & Gas is listed on the AIM market of the London Stock Exchange under the ticker VOG.