



24 December 2018

**Victoria Oil & Gas Plc
("VOG" or "the Company" or "the Group")
Renewal of Long-Term Gas Supply Contract with ENEO**

Victoria Oil & Gas Plc, the Cameroon based gas and condensate producer and distributor, is pleased to announce that its wholly owned subsidiary Gaz du Cameroun S.A ("GDC") has signed a binding term sheet with grid power provider, Eneo Cameroon S.A. ("ENEO"), to resume gas supply to the Logbaba 30MW Power Station.

Highlights:

- Gas supply and power distribution commenced 22 December 2018
- 3-year contract term
- Peak quantity delivery of 6.1mmscf/d to be made available to the ENEO site
- Minimum base load 80% (4.9mmscf/d) of peak quantity "Take or Pay" throughout the year
- This contract will increase current daily average consumption by more than 100% to approximately 8.8mmscf/d
- Gas price range from \$6.75 to \$6.95 per MMBtu over contract term

The Board is pleased to confirm that a binding term sheet was signed on 21 December 2018 between GDC and ENEO for the resumption of gas sales. Simultaneously, ENEO has entered into an agreement with Altaaqa Alternative Solutions Projects DWC-LLC ("Altaaqa") for the provision of their gas-powered generation units ("Gensets"). Gas export and power generation began on 22 December and build-up to the full 30MW supply is progressing well.

Terms of the Agreement

Under the revised terms, gas will be supplied to ENEO's 30MW Logbaba Power Station. The peak quantity requirement equates to 6.1mmscf/d gas consumption from GDC. The initial gas sale price of \$6.75 per MMBtu will increase over the three-year term of the agreement by \$0.10/MMBtu on each anniversary of the effective date of the agreement. The original contract with ENEO contained a seasonal minimum take or pay element of 90% during the January to June dry season and 30% during the wet season July to December. The take or pay element of the contract has been amended to a minimum base load level of 80% throughout the entire year, which equates to a minimum gas supply of 4.88mmscf/d. The average daily consumption of gas for GDC during 2018, prior to recommencing supply to ENEO was approximately 4mmscf/d, so the Logbaba production more than doubles current daily average production to more than 8.8mmscf/d.

The parties are committed to executing Fully Termed Agreements and providing appropriate payment guarantees by 31 January 2019.

ENEO has expressed their intention to increase power generation levels to include an additional 20MW from its Bassa Power Station in due course and they, and other IPP's, are evaluating additional power supply options to meet the electricity shortfalls that the city of Douala continues to experience.

The Company commented:

“We are delighted that GDC has renewed its contract with ENEO and has quickly resumed gas supply to the Logbaba Power Station in Douala. Whilst the situation in 2018 has been a challenging one for all involved, the management team remained confident that a resolution would be reached. We wish to thank the Government of Cameroon, Ministry of Water & Energy, Eneo Cameroon S.A, Société National de Hydrocarbons (SNH) and His Excellency the President for entrusting GDC and Altaaqa with such an important project for the Republic of Cameroon and its people.

The new contract provides GDC with a stable three-year deal that immediately doubles daily average gas sales, whilst also offering a platform for further opportunities with ENEO, notably at their 20 MW Bassa Power Station in Douala.

With the resumption of the ENEO contract, the Company is in a strong position for growth during 2019. GDC’s significant reserve base and position as the only onshore gas producer in Cameroon provides a unique opportunity to produce more power in the region for the benefit of both the Company, and the people of Cameroon. The management team has worked hard over the last 12 months to successfully diversify the product base and increase the number of clients and will continue to focus on this initiative.”

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