



21 January 2019

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

Production Update

Victoria Oil & Gas Plc, the Cameroon based gas and condensate producer and distributor, is pleased to provide an update on the increasing production levels at the Logbaba Project.

Highlights:

- Average production rate MTD for January 2019 of 8.5mmscfd as at 19 January 2019
- 91% increase on Q4 18 daily average production levels
- 9.9mmscfd average production for the 7 days to 19 January 2019
- 12.96mmscfd peak level reached on 18 January 2019 YTD
- ENEO consumption levels at the Logbaba Power station have doubled to 30MW since the resumption of the contract in late December

The Company announced on 24 December 2018 that Gaz du Cameroun ("GDC") had entered into a binding term sheet on the 21 December 2018 with ENEO Cameroon SA ("ENEO") to resume gas supply to the 30MW Logbaba Power Station. Gas supply and power distribution commenced 22 December 2018.

Since the resumption of the contract with ENEO in late December, ENEO consumption levels have doubled from 15MW to the full 30MW at Logbaba as the equipment has been recommissioned. ENEO gas consumption has recently exceeded take or pay levels of 4.88mmscfd.

The term sheet with ENEO sets out 3-year contract duration with peak delivery of 6.1mmscfd to be made available to the Logbaba station on an 80% minimum Take or Pay basis throughout the year, which equates to a minimum average additional gas supply of 4.88mmscfd. This differs from the previous contract, which 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 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.

Whilst gas supply for grid power to ENEO and to others will always be a key strategy of the Group, the Board, as previously announced, is focussed on the importance on the diversification of the customer base to reduce dependence on any single customer. Our industrial customers are consuming at record levels as reported in our Q4 18 operations update and the business development of these and other routes to market continue to be developed.

This announcement contains inside information.

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