1 June 2012

Victoria Oil & Gas Plc
('VOG' or 'the Company')
(AIM: VOG)

Completion of Pipeline to Central Douala,
Gas Deliveries Expected in June 2012 and First Revenues Expected in July 2012

Equity Placing, Loan Note Facility and
Renewal of Standby Equity Distribution Agreement

Victoria Oil & Gas Plc, the AIM quoted oil and gas exploration and production company with assets in Cameroon and the FSU, announces:

- completion of the second phase of the pipeline to central Douala;
- an equity placing of £3.15 million (the 'Placing');
- an additional drawn down of US$1.2 million (£0.78 million) of loan finance ('the Loan'); and
- renewal of an existing Standby Equity Distribution Agreement ('SEDA') .

The funds raised through the Placing and the Loan are to be utilised as a bridge to positive cashflow, long-term debt funding of production operations in Cameroon, to accelerate the customer conversion process and allow for increased operational flexibility during the build-out phase of the Logbaba Project.

Completion of Pipeline to Central Douala

VOG has completed and commissioned the second stage of the pipeline to, and around, central Douala. A total of 13.2km of pipeline has been installed and commissioned, providing the Company with access to more than 20 large industrial energy consumers.

The Company anticipates sales of ca. 1 million standard cubic feet per day ('mmscf/d') from July 2012, steadily increasing to 8mmscf/d by the end of 2012. This is predicated on continuous production operations commencing in June 2012 when it is anticipated that three customers will have been certified as ready to take delivery of gas, including one large 24 hour bottle wash plant operation. A further 5 customers are at an advanced stage of completing their conversion requirements.

This ramp-up in production volumes expected by year end 2012 is partly attributable to an increase in the number of thermal (heat requirement) customers expected to be ready to accept gas having completed their conversion requirements and partly attributable to the introduction of the Company's first on-site gas to electrical power solutions via the gas pipeline network which are expected to come on line from November 2012.

Customers will be invoiced on a monthly basis. First cash revenues are therefore expected to be received by the end of July 2012. In order to accelerate revenues, the Company has recently taken the decision to meet the costs of conversion for certain customers to accelerate their overall conversion programme. These costs will be recovered from the customers over the first 12 months of gas supply.

Equity Placing of £3.15 million

The Company further announces that it has completed, conditional on admission, an equity placing of 105,000,000 new ordinary shares of 0.5 pence ('Placing Shares') at a price of 3 pence per share raising £3.15 million before expenses through Fox-Davies Capital Limited.

Application has been made to the London Stock Exchange for admission of the Placing Shares to trading on AIM ("Admission"). It is expected that Admission will become effective and that trading in the Placing Shares will commence at 8.00 a.m. on Monday, 11 June 2012.

Following Admission, the Company will have 2,706,717,264 ordinary shares in issue. The new ordinary shares will rank pari passu in all respects with the existing ordinary shares.

The aforementioned figure of 2,706,717,264 ordinary shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, VOG under the FSA's Disclosure and Transparency Rules.

Loan Note Facility & Standby Equity Distribution Agreement

In addition to the equity placing, VOG has drawn down a further US$1.2 million under an unsecured US$8 million 12 month Loan Note facility announced in February 2012 and renewed a SEDA facility for £10 million with YA Global Master SPV Limited. The Loan bears a coupon of 9 per cent. A further US$2.8 million may be drawn under the Loan subject to the mutual consent of both parties.

Kevin Foo, Chairman of Victoria Oil & Gas, commented, "Gas deliveries to customers from Logbaba are a matter of weeks away. We are focused on accelerating customer conversions to deliver our year-end target of 8mmscf/d of sales. The additional drawdown under the Loan, the Placing and the standby SEDA facility provides the Company with greater financial flexibility ahead of becoming a cashflow positive company. In addition, we are currently in discussions with several parties in relation to a potential large debt facility to secure long-term funding for the Logbaba production operation."

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Notes:

The Company has entered into a £10m Standby Equity Distribution Agreement ("SEDA") with YA Global, an investment fund managed by Yorkville Advisors LLC.. Under the terms of the SEDA the Company may draw down funds in exchange for the issue of new ordinary shares of 0.5 pence each in the Company ("Ordinary Shares"). The Ordinary Shares will be issued at a 5% discount to the prevailing market price during the five day pricing period prior to a draw down request. The maximum advance that may be requested is 20% of the average daily trading volume of Ordinary Shares multiplied by the volume weighted average price of such shares for each of the five trading days prior to the draw down request or, if less, £1,000,000. In addition, the Company may at its election within the next six months aggregate a number of individual advances into an 'aggregated advance', with the aggregated shares to be delivered under the 'aggregated advance' subscribed for at the end of the pricing period of the final individual advance constituting the aggregated advance. The minimum initial aggregated advance is £1.2m and the maximum aggregate of all special advances is £5.0m.

Background Information on Victoria Oil & Gas Plc:

Victoria Oil & Gas Plc is an independent oil and gas exploration and production company with projects in Africa and the FSU. The Company's principal assets are the Logbaba gas and condensate project in Cameroon and the West Medvezhye project in Siberia, Russia. Logbaba is located in Douala, the economic capital of Cameroon. The field was discovered in the 1950s when all four exploration wells drilled at the time encountered gas. The Company drilled two successful development wells in 2009/10 and was awarded an Exploitation Licence in April 2011.

The Company's Logbaba proved and probable reserves are sufficient to supply an average of 30mmscf/d for the next 20 years to industrial customers. Under current management projections, the Company forecasts industrial gas demand to rise to 44mmscf/d by the end of 2014. In the longer term, as further reserves may be proven, gas may also be supplied to large gas fired power stations connected to the grid, with either VOG investing in an independent power producer joint venture or selling the gas to third parties. The Company has signed a multitude of gas sales agreements with industrial customers to serve their energy requirements and anticipates in excess of 40 customers over the medium term.

West Medvezhye is situated in the prolific Yamal-Nenetsk hydrocarbon region in Siberia. An independent audit, carried out by Mineral LLC in 2011, estimated prospective resources for the area of over 1.4 billion barrels of oil equivalent. The Company also has a discovery well, 103, with C1 and C2 reserves, independently assessed under the Russian classification convention of 14.4 million boe as approved by the Russian Ministry of Natural Resources.

Development studies are in progress to commercialise the Well-103 discovery and prospective resources and a detailed well design study for the upcoming drilling campaign has commenced.