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**FOR IMMEDIATE RELEASE**

**SOCO International plc**

("SOCO" or the "Company" or, together with its subsidiaries, the "SOCO Group")

### **COMPLETION OF THE ACQUISITION OF MERLON EL FAYUM PETROLEUM COMPANY**

Further to the Company's announcement on 29 March 2019, SOCO is pleased to announce the completion of the acquisition of Merlon Petroleum El Fayum Company ("**Merlon**") from Merlon International LLC (the "**Seller**") (the "**Transaction**").

As previously announced, SOCO agreed to acquire Merlon in consideration for approximately US\$136 million in cash and the issue of 65,561,041 new SOCO ordinary shares to the Seller (the "**Consideration Shares**"). Prior to their issuance, the Consideration Shares represented 19.75 per cent. of SOCO's issued share capital or 16.49 per cent. of SOCO's issued share capital as enlarged by the Consideration Shares (in each case, excluding treasury shares).

The Consideration Shares will be issued to the Seller on completion with an obligation on the Seller to distribute such shares to its shareholders within 30 days of completion, save in relation to up to 5.8 million shares (representing less than 1.5 per cent. of the Company's enlarged issued share capital) that the Seller may retain for up to 18 months following completion. Other than the lock-up arrangements relating to Merlon's President and CEO, Jason Stabell, as disclosed in the Company's circular to its shareholders dated 5 December 2018 (the "**Circular**"), the Consideration Shares will not be subject to any lock-up.

Merlon has agreed to pay an assignment fee in respect of the Transaction to the Egyptian General Petroleum Corporation ("**EGPC**") of an amount within the cap stated in the Circular.

#### **Admission of Consideration Shares**

Applications have been made to the Financial Conduct Authority and the London Stock Exchange in relation to the admission of the Consideration Shares to listing on the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities respectively. Both are expected to take place by 8.00 a.m. on 3 April 2019.

#### **Egypt Operations and Production update**

Production from the El Fayum concession during Q1 2019 averaged 5,692 barrels of oil per day (bopd). Following completion, SOCO will be focused on offsetting the recent decline and then growing production through additional drilling and the implementation of a secondary recovery programme in the core El Fayum fields. SOCO's priorities for 2019 are:

- Drilling more production wells. The SOCO board has approved the contracting of a second rig in early 2019 and, following that approval, drilling operations are expected to commence in May 2019;
- Drilling of additional injector wells to enhance the secondary water flooding required for the reservoirs in the concession;
- Construction of new facilities (e.g. water storage, treatment facilities and flow lines); and
- Integration of the local Merlon team with SOCO's operations to manage this expanded programme of activity.

The El Fayum fields comprise stacked reservoirs that need pressure support from water injection as a secondary recovery mechanism to optimise production. Due to investment constraints over the past few years Merlon's work programme was restricted to a single rig and limited pilot water flood initiatives. SOCO identified a clear opportunity to grow the business with a focused programme of investment. This programme will begin immediately with the addition of a second rig and will be further developed over the coming months. There has been no change in SOCO's assessment of the potential of the concession.

SOCO has a technical plan and the core team to deliver on this activity which, combined with the enhanced oversight necessary to manage the expanded investment programme, will provide the basis for exploiting the full potential of the El Fayum concession. The Company's goal remains to increase production from the El Fayum concession to 15,000 bopd by 2023.

***Ed Story, President and Chief Executive Officer, commented:***

*"I am delighted that we have completed the Merlon transaction which puts SOCO once again on a growth trajectory. We welcome our new colleagues to SOCO and very much looking forward to working with them. We are proud of having achieved completion early in 2019, which is testament to the quality of professionalism of the team and the strong relationships that have been established in country with EGPC.*

*This is a significant step forward in SOCO's stated objective of expanding and diversifying its resource base to create a full-cycle, growth orientated E&P company of scale. We now have a platform for SOCO to build a material business in Egypt and MENA".*

**ENQUIRIES**

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**NOTES TO EDITORS**

SOCO is an international oil and gas exploration and production company, headquartered in London and traded on the London Stock Exchange. The Company has a vision and strategy to become a full cycle and growth orientated E&P company of scale. SOCO has production, development and exploration interests in Vietnam and Egypt.

SOCO holds a 30.5% working interest in the Te Giac Trang Field of Block 16-1, which is operated by the Hoang Long Joint Operating Company. Block 16-1 is located in the shallow water Cuu Long Basin, offshore southern Vietnam.

SOCO holds a 25% working interest in the Ca Ngu Vang field of Block 9-2, which is operated by the Hoan Vu Joint Operating Company. Block 9-2 is located in the shallow water Cuu Long Basin, offshore southern Vietnam.

SOCO holds a 70% interest in and is the designated operator of Blocks 125 & 126, located in the moderate to deep water Phu Khanh Basin, offshore central Vietnam.

SOCO holds a 100% working interest in the onshore El Fayum concession in the Western Desert, Egypt, around 80km south west of Cairo. The concession includes ten development leases for oil fields operated by Petrosilah, an Egyptian joint stock company held 50 / 50 between the SOCO Group and the EGPC. As at 30 June 2018, the concession had independently certified proven and probable (2P) reserves of 24 million barrels and contingent (2C) resources of 37 million barrels.

#### IMPORTANT NOTICE

Evercore Partners International LLP (“**Evercore**”) is authorised and regulated by the Financial Conduct Authority. Evercore is acting exclusively for SOCO in connection with the matters set out in this announcement and the Transaction. Evercore is not, and will not be, responsible to anyone other than SOCO for providing the protections afforded to its clients or for providing advice in relation to the Transaction or any other matters referred to in this announcement. Apart from the responsibilities and liabilities, if any, which may be imposed on it by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, or under the regulatory regime of any jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Evercore nor any of its subsidiaries, branches or affiliates owes or accepts any responsibility whatsoever (whether direct or indirect, whether in contract or in tort, under statute or otherwise) and makes no representation or warranty, express or implied, for the contents of this announcement, including its accuracy, fairness, sufficiency, completeness or verification or for any other statement made or purported to be made by it, or on their behalf, in connection with SOCO or the Transaction, and nothing in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Evercore and any of its subsidiaries, branches or affiliates accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of this announcement or any such statement contained therein.

#### FORWARD-LOOKING STATEMENTS

This announcement contains certain forward-looking statements that are subject to risk factors and uncertainties associated with the oil and gas exploration and production business generally and specifically with the business, operations and financial position of the SOCO Group. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "may", "aims", "targets", "prospects", "outlooks", "potential", "possible", "forecasts", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts.

These forward looking statements are subject to risks, uncertainties and assumptions regarding SOCO's present and future business strategies and the environment in which SOCO will operate in the future including, among other things, regulatory changes, future levels of industry product supply, demand and pricing, weather and weather-related impacts, wars and acts of terrorism, development and use of technology, acts of competitors, the repercussions of the UK's referendum vote to leave the European Union, future capital expenditures and acquisitions and other changes to business conditions. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. Forward looking statements involve inherent risks and uncertainties. Other events not taken into account may occur and may significantly affect the analysis of the forward-looking statements.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this announcement reflect SOCO's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to SOCO and its operations, results of operations and growth strategy.

Other than in accordance with its legal or regulatory obligations (including under the Listing Rules and the Disclosure Guidance and Transparency Rules), SOCO is not under any obligation and SOCO expressly disclaims any intention or obligation (to the maximum extent permitted by law) to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

Except as explicitly stated, neither the content of SOCO's nor Merlon's website, nor any website accessible by hyperlinks on SOCO's or Merlon's website is incorporated in, or forms part of, this announcement.