

SOCO International plc
 (“SOCO” or the “Company” or, together with its subsidiaries, the “Group”)

VIETNAM RESERVES AND OPERATIONS UPDATE

SOCO International plc, an oil and gas exploration and production company, issues the following reserves update for the TGT and CNV fields in Vietnam.

- TGT and CNV reserves revised from 25.4 to 23.0 Mmboe due to operational delays and some production volumes being delayed beyond the licence expiry date
- 2019 production guidance maintained at 6,500-7,500 boepd
- Merlon acquisition expected to add 24 mmbbl 2P reserves as at 30 June 2018, with completion expected in H1 2019

Vietnam Reserves

As previously announced, in accordance with the requirements of SOCO’s new Reserve Based Lending Facility announced on 17 September 2018, SOCO commissioned an independent audit of gross (100% field) reserves for TGT and CNV, as of 31 December 2018, by RISC Advisory Pty Ltd (“RISC”). The numbers in the table below are SOCO’s revisions to Vietnam reserves, from their unitised working interest of the gross reserves. The gross reserves have been independently agreed by RISC.

Table: TGT & CNV reserves net to SOCO

	TGT	CNV	Total Vietnam
	2P (Mmboe) ¹	2P (Mmboe) ¹	2P (Mmboe) ¹
Opening Balance 1.1.18	23.1	5.0	28.1
2018 Production	(2.1)	(0.6)	(2.7)
Total after Production	21.0	4.4	25.4
Revision	(4.8)	2.4	(2.4)
Closing Reserves 31.12.18	16.2	6.8	23.0

¹ Assumes oil equivalent conversion factor of 6,000 standard cubic feet per barrel of oil equivalent.

The reserves update is based on the economic recovery to the licence expiry date, which have been impacted by previously announced operational, drilling and rig delays and the operational delays outlined in this press release, and are not a reflection of the fields’ reservoir potential.

On CNV, the reported reserves position at 31 December 2017 did not include the potential impact of the 2018 work programme, as this had not yet been approved by the Hoan Vu Joint Operating Company. The execution of the 2018 work programme, although delayed, has resulted in successful production performance which has now been taken into account, resulting in an improvement in the field’s reserves.

SOCO’s acquisition of Merlon is expected to add 24 mmbbl 2P reserves as at 30 June 2018, consistent with LR Senergy’s CPR included in the Circular for the transaction. SOCO continues to anticipate completion in H1 2019.

Production Guidance

The Group's Vietnam production guidance for 2019 remains 6,500-7,500 boepd as announced in the Operations update. Actual production at the higher end of this range is dependent on several operational factors, including the timing of the drilling, completion and hook-up of the two firm TGT wells in the approved 2019 work programme given that the rig tendering process is delayed.

TGT and CNV Operational Delays

On TGT, agreement in principle for a 2019 work programme and budget of two firm and two contingent in-field wells, 18 well interventions, and costs associated with the upgrade of the gas compressors was reached by the partners in the Hoang Long Joint Operating Company (HLJOC) in December 2018. Formal approval from the HLJOC was only received on 22 January 2019, and this delay in budget approval has had a corresponding effect on the timing of the tendering process for a drilling rig, equipment and services. The HLJOC anticipates that the wells in the approved 2019 TGT work programme will not be drilled until late 2019 and the planned upgrade of the gas compressors is anticipated to start in Q4 2019.

TGT Compressors and FPSO Tie-in Agreement (TIA)

As announced in the Company's Trading and Operations update published on 9 January 2019, tests to evaluate solutions for inefficiencies in the gas compressors had indicated that the gas from a third party well with access to the FPSO was the main cause of the gas compressors suffering unplanned outages and delivering lower gas lift, which in turn resulted in a backing-out of TGT oil production. Since the Operations update, the HLJOC has further evidence that has confirmed that the third party well was the cause. Production from that well is currently being managed to reduce the gas flare and the impact on TGT production.

The existing TIA for the FPSO between the HLJOC and the third-party, the Thang Long Joint Operating Company (TLJOC), expired on 30 August 2018, and an interim agreement has been put in place while new terms for the third-party production are being negotiated, including the stipulation from a majority, 58.5%, of the JOC ownership that the HLJOC's production capacity through the FPSO will have priority. The interim agreement between the HLJOC and the TLJOC includes a cost sharing mechanism that is expected to result in a reduction in operating costs to the HLJOC.

The inefficient compressor issue will continue until the planned upgrade work is completed. The timing of the work to upgrade the compressors, the continued throughput of third-party production and consequential backing out of TGT oil production has also impacted on the Vietnam reserves.

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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 field development, production and exploration interests in Vietnam. 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 designated operator of Blocks 125 & 126, located in the moderate to deep water Phu Khanh Basin, offshore central Vietnam.