

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

**AGM TRADING AND OPERATIONS UPDATE**

SOCO International plc, an international oil and gas exploration and production company, issues the following Trading and Operations update in advance of the Company's AGM which is being held at 12:30 today. At the meeting, Ed Story, President and Chief Executive Officer, will give a presentation which will be made available on the Company website [www.socointernational.com](http://www.socointernational.com).

**Ed Story, President and Chief Executive Officer of SOCO, commented,**

*"SOCO has had a positive start to the year with the completion of the Merlon acquisition in April. Having secured a second rig in Egypt we look forward to the commencement of our increased drilling programme. In Vietnam, production is in line with guidance and the 2D seismic acquisition on Blocks 125 & 126 in the under-explored Phu Khanh Basin is progressing well. Whilst we develop our current assets, we continue to pursue new business opportunities to offer a combination of capital growth and returns to our investors. With that in mind, we have proposed a 2018 final dividend of 5.5p per share".*

**FINANCIAL UPDATE**

Cash balances as at 30 April 2019 were approx. \$87m. Vietnam revenues for January-April were circa \$51m. The average realised oil price per barrel from Vietnam achieved for the same period was just over \$69/bbl, representing a premium of nearly \$4/bbl to Brent. The company has put in place a hedge swap on 822,000 bbls of Vietnam production for a period of twelve months and is actively reviewing further hedging protections. Egyptian revenue from 2 April - 30 April was circa \$4m. The average realised oil price per barrel from Egypt achieved for April was approx. \$66/bbl, representing a discount of approx. \$5/bbl to Brent.

A proposed dividend of 5.5 pence per share for 2018 is expected to be approved at the AGM and to be paid on the 31 May 2019 which amounts to approx. \$28m.

The capital expenditure budget for Vietnam for 2019 remains unchanged at approximately \$33m, of which \$21m is allocated to the development work of the TGT and CNV fields, and the remaining \$12m for the purchase, processing and interpretation of seismic data on Blocks 125 & 126. In Egypt, the capital expenditure for the two rig programme set out below is expected to be approx. \$39m. Further refinements are being made to the programme and an update will be provided to the market in July.

Having completed the acquisition of Merlon Petroleum El Fayum Company on the 2 April 2019, a financial update to include the Egyptian assets will be provided in the half year results on 11 September 2019.

**OPERATIONS UPDATE**

**VIETNAM  
PRODUCTION**

Production from the TGT and CNV fields net to the Group's working interest average was 7,025 boepd from 1 January to 30 April 2019. This is in line with the production guidance issued on 14 February 2019. The Group's Vietnam production guidance for 2019 remains 6,500-7,500 boepd.

TGT production averaged 17,956 boepd gross and 5,418 boepd net to SOCO. CNV production averaged 6,429 boepd gross and 1,607 boepd net to SOCO.

**DEVELOPMENT AND OPERATIONS**

**Block 9-2 - CNV Field (25% interest; operated by HVJOC)**

Conversion of the water injection pipeline to gas is completed allowing gas lift available for all wells.

### **Block 16-1 - TGT Field (30.5% interest; operated by HLJOC)**

Tendering for equipment and services to execute the approved 2019 work programme of the two firm and two contingent infill wells is ongoing. It is still anticipated that these wells will not be drilled before late 2019.

As announced previously, the TGT-31P well was drilled through the main reservoir sections to total target depth on 16 January 2019, targeting the deeper high temperature, high pressure (HPHT) section below the main producing horizons at the H5-WHP. The well encountered hydrocarbons in the D1 and E Oligocene targets of the deeper section. A single DST was conducted and oil flowed to surface under controlled conditions. The HLJOC has approved a second HPHT well to help determine if the HPHT play continues in the up-dip TGT fault blocks to the north. This second well is currently scheduled to spud in December 2019.

### **TGT COMPRESSORS AND FPSO TIE-IN AGREEMENT (TIA)**

Detailed Feasibility Engineering studies have been completed and detailed discussions with the FPSO owner on the solution for potential restaging are ongoing. Upgrade work to the compressors remains scheduled to begin Q4 2019 with completion expected to be in H1 2020. Production from a third-party well is currently being managed to reduce the gas flare and the impact on TGT production.

Negotiations on a new TIA between the HLJOC and the third-party, the Thang Long Joint Operating Company (TLJOC) continue. The interim agreement between the HLJOC and TLJOC, incorporating a cost sharing mechanism remains in place.

## **EXPLORATION**

### **Blocks 125 & 126 (70% interest, SOCO-operated)**

The 2019 work programme consists of 2D seismic acquisition of 7,000 km line. Acquisition of new 2D seismic commenced mid-April and is progressing well. It is due to be completed by mid-June 2019.

### **EGYPT**

As announced on the 2 April 2019, SOCO completed the acquisition of Merlon Petroleum El Fayum Company for a consideration of approximately US\$136 million in cash and the issue of 65,561,041 new SOCO ordinary shares.

Production from the El Fayum concession averaged 5,551 barrels of oil per day (bopd) from 1 January to 30 April 2019 (sold volumes averaged 5,336 bopd). A second rig has been contracted and drilling operations with this rig are expected to commence in June 2019. The focus will be on drilling more production wells and additional injector wells to enhance the secondary water flooding in the core El Fayum fields. In addition, we are making good progress in reducing diesel-fired electrical power generation by introducing new gas-fired generators, which will both reduce our CO<sub>2</sub> emissions and the amount to gas going to flare.

The team in Egypt has been integrated with SOCO's operations to manage this expanded programme of activity. SOCO anticipates a 2019 exit rate in excess of 6,500 bopd from the El Fayum concession. The Company's goal remains to increase production from the El Fayum concession to 15,000 bopd by 2023. SOCO is considering short and long-term options for off-take arrangements in Egypt, including various different refinery and pipeline options to provide maximum flexibility for future developments.

## **CORPORATE**

### **NON- EXECUTIVE DIRECTORS**

SOCO recently announced two changes to the SOCO Board. Ambassador António Monteiro, non-executive director, will retire from the Board of SOCO at the conclusion of the Company's AGM. Marianne Daryabegui has been appointed as an Independent non-executive director with effect from 15 March 2019 and will also serve as a member of the Audit and Risk Committee, the Remuneration Committee and the Nominations Committee.

## **STRATEGIC UPDATE**

SOCO's Board is continuing to seek and evaluate M&A opportunities in line with strict strategic, financial and operational criteria.

**ENQUIRIES:**

SOCO International plc  
Ed Story, President and Chief Executive Officer  
Jann Brown, Managing Director and Chief Financial Officer  
Mike Watts, Managing Director  
Sharan Dhani, Group Investor Relations Manager

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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.

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.

In April 2019, SOCO acquired 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 active development leases for oil fields operated by Petrosilah, an Egyptian joint stock company held 50 / 50 between the SOCO Group and the Egyptian General Petroleum Corporation.