SOCO International plc
("SOCO" or the "Company")

TRADING AND OPERATIONS UPDATE

SOCO, an international oil and gas exploration and production company, announces its trading and operations update. This summarises the Company's current financial and operational status, provides guidance in respect of the financial year ended 31 December 2016 and guidance for 2017. The information contained herein has not been audited and is subject to further review. Final audited results are scheduled for release on 23 March 2017.

Ed Story, President and Chief Executive Officer, commented:

"We restarted the next phase of development of the TGT Field in the latter part of 2016 in advance of formal approval of the updated FFDP, signalling a positive realignment amongst partners with regards to managing this key resource. We expect the development drilling to arrest the production decline associated with almost two years of no drilling.

Additionally, with oil prices achieving a relatively stable mid-price range considerably above the lows of 2016, this year we expect the industry to be very active on the M&A front and the Company will robustly pursue growth opportunities. To emphasise our commitment to energising our growth strategy, we have brought on Dr Mike Watts and Jann Brown to lead the effort as co-heads of Business Development for the Company. Not only do Mike and Jann bring the experience, capability and industry network to suggest success in our efforts, but they clearly bring additional strength to our capability to manage an expanded portfolio both now and in the future. "

2016 HIGHLIGHTS

- Robust balance sheet, zero debt, solid cash flow, low cash operating costs
    - Year-end cash balance in excess of $100m with no debt
    - Revenue of $155m
    - Average realised crude oil price of $45 per bbl, a premium to Brent of over $1 per bbl
    - Operating expenditure under $12 per bbl; operating cash flow break-even oil price per bbl still in the low $20s
    - Cash capital expenditure of $40m, fully funded from existing cash resources
        - Vietnam $14m
        - Africa $26m, including cost savings achieved on the MPS well
    - Returns to shareholders of $18m via two 2p dividends
- Net production of 9,883 BOEPD - slightly below our lower end production guidance of 10,000 BOEPD
- Commencement of TGT development drilling in November
- New ventures negotiations for Blocks 125 & 126 concluded; a PSC will be executed in due course
- Marine XI Production Licence Application over 20 years has been approved by the authorities and commercial renegotiation is underway
- Recovery of $10.0m as partial payment against the $52.7m amount due, associated with SOCO's 2005 sale of its Mongolian assets

OPERATIONS

Vietnam

Te Giac Trang ("TGT") Field production averaged 27,650 barrels of oil equivalent per day ("BOEPD") gross and 8,330 BOEPD net to SOCO's working interest in 2016; the Ca Ngu Vang ("CNV") Field production averaged 6,211 BOEPD gross and 1,553 BOEPD net to SOCO's working interest in 2016. Overall net production of 9,883 BOEPD was slightly below the lower end guidance of 10,000 BOEPD due to the delay in drilling postponed to the end of the year, unexpected additional downtime due to pressure-testing on CNV, along with the recent stoppage for rig positioning and down-well intervention work beyond that originally planned for extra wireline and intervention work.

The TGT 2016 development drilling programme commenced in late 2016, the first on TGT since early 2015. The infill wells, the TGT-27PST1 and TGT-28P, were "batch drilled". The first well was spudded on 6 November 2016 by the PetroVietnam Drilling PVD-6 jack-up rig on the H4-Well Head Platform ("WHP") in the central area of the TGT Field. Both wells encountered hydrocarbons throughout both the Miocene and Oligocene reservoir horizons, and are currently being analysed following the execution of the initial perforation programme. The TGT partners have agreed to add a further two infill wells on the southern H5-WHP following the completion of these wells, and delivery of long lead items. The TGT-14X well into the H5 South fault block will also be drilled as part of the programme.

The TGT Full Field Development Plan ("FFDP") has been formally submitted to the relevant authorities. The FFDP includes additional wells and facilities options to increase total fluid-handling capacity.

New Ventures

On Monday, 6 February 2017, Dr Mike Watts and Jann Brown will be joining the Company to co-head the Company's newly formed Business Development group.

Negotiations have been concluded for a 70% interest in a Production Sharing Contract ("PSC") over two blocks, Blocks 125 & 126, in the Phu Khanh Basin offshore central Vietnam. We expect the PSC between SOCO, Petrovietnam and Sovico Holdings Company to be executed in the first half of 2017.

Detailed negotiations for the PSC on Blocks 125 & 126 began in May 2016 following the signing of a Memorandum of Understanding in July 2015 and agreement of the main terms. Both blocks are in moderate to deep water, adjacent to the coast, in the Phu Khanh Basin, and have multiple structural and stratigraphic plays observed on the available seismic data. Interpretation of the available data indicates there is good potential for source, expulsion and migration of oil with numerous reservoir and seal intervals likely.

Africa Portfolio

Republic of Congo - Marine XI Block

SOCO's application for a 20-year Production Licence ("PEX") for the area around the Lidongo well was approved in September 2016 with the PEX commencing in October 2016. Discussions with the authorities are ongoing to review and improve the commercial terms for the PEX. The Lidongo discovery area commercialisation discussions are ongoing.

A 12-month licence extension to March 2017 has allowed interpretation of the 3D seismic data from the remainder of the Block, including the Lideka East discovery area, to be completed. Reviews of possible additional PEX applications for the other areas in Marine XI are ongoing.

Republic of Congo - Mer Profonde Sud ("MPS") Block
The MPS block has now been released. Final financial and legal reviews are being performed by the authorities to allow for the formal signoff.

Angola - Cabinda North Block
Discussions are ongoing among the partners and with the authorities to agree the new partnership, operator and activities during the licence extension period to April 2018.

FINANCIAL

SOCO's financial strength persists in this difficult market, having its foundations built on positive cash flows, attractively low operating expenditure and a disciplined approach to capital allocation. The Company finished the year with no debt and over $100m in cash, cash equivalents and liquid resources. An average crude oil sales price of $45 per barrel was realised during 2016, representing a premium of over $1 per bbl to Brent, generating revenues of $155m, against low cash operating expenditure of under $12 per bbl. SOCO's full operating cost break-even oil price per bbl remains still in the low $20s.

The Company received $10.0m in December 2016 from Daqing Oilfield Limited Company ("Daqing") as partial payment for the $52.7m Subsequent Payment Amount associated with SOCO's 2005 sale of its Mongolia assets. The full remainder, as acknowledged by Daqing, is outstanding and past due. The parent company of the debtor has not only re-acknowledged the debt, but confirmed payment as soon as the regulatory hurdles are met. The Company intends to fully enforce its rights for collection.

OUTLOOK

The Company continues to pursue growth and rationalisation of our portfolio. Dr Mike Watts and Jann Brown will be joining the Company to spearhead these efforts. In the coming months, we expect to announce a new Production Sharing Agreement over two blocks, offshore Vietnam, adding to our existing strong presence in the region.

Capital expenditure for 2017 is expected to be approximately $50m to cover the development drilling and infrastructure upgrade on our existing Vietnam assets, purchase of seismic data for our new venture Blocks 125 & 126 in Vietnam and PEX bonuses in Africa on MXI.

Average production in 2017 will be affected by the additional shut-ins (equivalent to up to approximately 25-30 days in total) on TGT planned to accommodate the rig moves, as well as the extended shut down for the installation, hook up and commissioning of the equipment for additional liquid handling capacity, and FPSO maintenance shut down. This is significantly higher than occurred in 2016 and, as such, impacts on the expected total average production for the year. Thus, although production last week averaged almost 10,300 BOEPD after perforating the last two wells drilled, production guidance for 2017 is presently set to average 8,000 to 9,000 BOEPD for the full year 2017.

The Board of Directors expects to recommend a dividend to shareholders with respect to 2016 earnings consistent with our strategy of sustainable cash returns to shareholders.

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 field development and production interests in Vietnam and exploration and appraisal interests in the Republic of Congo (Brazzaville) and Angola.

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 40.39% interest in and is designated operator of the Marine XI Block, located in the shallow water Lower Congo Basin, offshore the Republic of Congo (Brazzaville).

SOCO holds a 17% interests in the Production Sharing Agreement for the Cabinda North Block onshore the Angolan enclave of Cabinda.