

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

SALE OF CONGO (BRAZZAVILLE) INTERESTS

SOCO is pleased to announce that it has signed and completed a sale and purchase agreement (the **SPA**) with Coastal Energy Congo Limited (**Coastal Energy**), to sell its entire shareholding in SOCO Congo Limited (**SOCO Congo**), which holds the Group's interests in Congo (Brazzaville), for a cash consideration of up to US\$10 million and an overriding royalty on future oil and condensate production sold from those interests.

Ed Story, President and Chief Executive Officer, commented:

"I am delighted that the agreement for the sale of SOCO's Congo (Brazzaville) interests has been signed. In January 2018 the Company announced that its assets in Africa were no longer a core strategic priority, and this is a step that will deliver an exit from a material portion of the non-core African business. The Company continues to focus on creating value from the core Vietnam portfolio and on evaluating acquisition opportunities in a disciplined manner to grow and refocus our business in line with the strategy that we have outlined to the market"

Overview of SOCO Congo and Principal Terms of the Transaction

The interests held indirectly by SOCO Congo comprise a 40.39% operated interest in each of the Lidongo, Viodo, Lideka and Loubana exploitation permits within the former Marine XI Block, located in shallow water offshore Congo (Brazzaville). The sale of the shareholding in SOCO Congo took effect immediately following signature of the SPA, for a cash consideration of up to US\$10 million and an overriding royalty interest of up to US\$1 per barrel on all future gross production of oil and condensate sold from any of the four exploitation permits.

The cash consideration of up to US\$10 million payable under the SPA is structured as follows:

- US\$1 million within 10 business days on the later to occur of:
 - i. agreement or expert determination of a statement of net assets or liabilities of SOCO Congo and its subsidiary as at 30 June 2018 (the **30 June Statement**); and
 - ii. execution of the first agreement relating to the bonus payable in respect of any of the four exploitation permits;
- US\$5 million within 10 business days of formal approval of the first development plan on any of the exploitation permits; and
- US\$4 million within 20 business days on the earlier to occur of:
 - i. first commercial production of oil or condensate from any of the exploitation permits; and
 - ii. 31 December 2019.

Each element of the cash consideration is subject to potential adjustment by reference to the 30 June Statement. In addition, SOCO will retain the right to an overriding royalty interest on all barrels of oil or condensate produced and sold from any of the four exploitation permits. The royalty payable on each barrel of oil or condensate produced and sold will be determined by reference to the prevailing price of North Sea Dated Brent (the Benchmark Price), as summarised below:

- US\$0.50 on each barrel where the Benchmark Price is at or under \$52.25 per barrel; or
- US\$1.00 on each barrel where the Benchmark Price is over \$52.25 per barrel.

Financial Impact

The value of the gross assets of the Congo (Brazzaville) assets held on the balance sheet as at 31 December 2017 was zero. The assets in the Congo (Brazzaville) are not yet developed and have generated no revenue from hydrocarbons to date.

For the 12 months ended 31 December 2017, the Congo (Brazzaville) interests generated a loss before taxation of approximately US\$104 million, predominantly comprising an impairment charge announced in January 2018 which reduced the carrying value of the assets to zero. The transaction is expected to have a limited impact on the Group's Income Statement in the near term.

SOCO plans to use the sale proceeds and the potential future royalty revenue from the exploitation permits to provide funds to invest in the Company's growth plans and to support the commitment to paying an annual dividend. It is anticipated that SOCO's Director of Africa, Serge Lescaut, will be retained by Coastal Energy in a similar role.

About Coastal Energy

Coastal Energy Congo is a subsidiary of Coastal Energy Holding Ltd. The group develops proven offshore oil reserves in West Africa. It is specialised in using early production systems (FPSO/MOPU/FSO) for staged field developments. The group is privately owned by Norwegian shareholders.

ENQUIRIES:**SOCO International plc**

Tel: 020 7747 2000

Ed Story, President and Chief Executive Officer

Jann Brown, Managing Director and Chief Financial Officer

Mike Watts, Managing Director

Sharan Dhami, Group Investor Relations Manager

Camarco

Tel: 020 3757 4980

Billy Clegg

Georgia Edmonds

Owen Roberts

NOTES TO EDITORS

SOCO is an international oil and gas exploration and production company, headquartered in London and listed on the London Stock Exchange. The Company has field development and production interests in Vietnam and an exploration interest in 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 22% interest in the Production Sharing Agreement for the Cabinda North Block onshore the Angolan enclave of Cabinda.