

**SOCO International plc**  
("SOCO" or the "Company")**AGM TRADING AND OPERATIONS UPDATE**

SOCO International, an international oil and gas exploration and production company, issues the following trading and operations update in advance of the Company's Annual General Meeting which is being held at 10:00 today. At the meeting, Ed Story, President and Chief Executive Officer, will make a presentation which will be made available on the Company website <http://www.socointernational.com>.

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

*"The Board remains committed to its strategy of shareholder value creation through the growth of the business and cash returns to shareholders.*

*"Including the proposed final dividend of 5p per share (approx. \$20.6m) for 2016, SOCO will have returned \$476m to shareholders in capital returns, share buybacks and cash dividends.*

*"SOCO's robust operational and financial health continues to uniquely position the Company for material growth. Our focus is to improve, grow and diversify our portfolio with onstream assets at appropriate valuations that present the opportunity for value creation for shareholders."*

**FINANCIAL UPDATE**

SOCO continues to achieve enduring financial strength and flexibility, with no debt, low operating costs and attractive Vietnam production economics. Cash balances as of 31 May 2017 were approx. \$150.8m, including \$42.7m collected in March 2017 in association with the Company's final and full collection of the receivable associated with the 2008 disposal of its Mongolia assets.

Revenues for January-May 2017 were \$65.8m. The average realised oil price per barrel achieved for the same period was approx. \$54.8, representing a premium of approx. \$2/bbl to Brent; a similar premium is expected for the remainder of 2017.

A recommended dividend of 5 pence per share for 2016 is expected to be approved at the AGM and to be paid on 16 June 2017.

The capital expenditure budget for 2017 remains at approx. \$50.0m. In Vietnam, \$35.0m is included to cover the development drilling and infrastructure upgrade on our existing assets and the purchase of existing seismic data for the Blocks 125 & 126 new venture. \$15.0m is included for Africa to cover Marine XI PEX bonuses.

**OPERATIONS UPDATE****Vietnam - Production**

Stable rates of production from Te Giac Trang ("TGT") and Ca Ngu Vang ("CNV") fields. Production net to the Group's working interest averaged 8,545 barrels of oil equivalent per day ("BOEPD") through May 2017.

TGT Field production for January-May averaged 23,288 BOEPD gross and 7,022 BOEPD net to SOCO. CNV field production for January-May averaged 6,091 BOEPD gross and 1,523 BOEPD net to SOCO. Production guidance for 2017 is maintained at 8,000 to 9,000 BOEPD for the full year 2017 reflecting planned shut-ins later in the year.

## Vietnam - Development

### Block 16-1 - TGT Field

*(30.5% interest; operated by Hoang Long Joint Operating Company ("HLJOC"))*

The 2016/2017 TGT Development Drilling Programme commenced in November 2016 with "batch drilling" on the TGT-27PST1 and TGT-28P infill wells on the H4-Well Head Platform ("WHP") in the central area of the TGT Field.

Following HLJOC partner agreement to add two additional infill wells in the current programme, infill drilling commenced drilling in March 2017. The TGT-30P infill well on the H1-WHP is now producing around 2,500 BOEPD with an as expected 40% water cut. The TGT-29P infill well on the southern H5-WHP was recently completed and is currently undergoing production clean up procedures ahead of being tied into the production system. Both wells were executed on time and on budget.

Drilling has commenced into the reservoir section of the high angle and long reach TGT-14X step-out appraisal well on the H5 South fault block, which initially commenced during the 2015 drilling campaign.

Construction of new processing equipment for installation on H1-WHP has commenced following approval of the TGT Full Field Development Plan ("FFDP") by the Vietnamese authorities in February 2017. The processing equipment will handle an additional 90,000 barrels of liquid per day ("BLPD") with specific water handling capacity of up to 65,000 barrels of water per day. This increases the handling capacity of the total system to approximately 180,000 BLPD, allowing for higher levels of oil production at the same or a higher water cut rate than previously possible.

### Block 9-2 - CNV Field

*(25% interest; operated by Hoan Vu Joint Operating Company)*

The CNV Field has continued to perform steadily throughout the year; production for January-May averaged 6,091 BOEPD gross and 1,523 BOEPD net to SOCO. Discussions with the Bach Ho owners are ongoing to establish the most effective means of enhancing performance through modifications at the reception terminal.

## New Ventures

Negotiations for a 70% interest in a Production Sharing Contract ("PSC") over two blocks, Blocks 125 & 126, in the Phu Khanh Basin offshore central Vietnam, have concluded. Following the successful negotiation of the PSC amongst SOCO, SOVICO Holdings Company and PetroVietnam, it is expected to be signed in the near future pending approval from the Vietnamese authorities.

Blocks 125 & 126 are in moderate to deep waters in the Phu Khanh Basin, north of the Cuu Long Basin, and have multiple structural and stratigraphic plays observed on the available 2D 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

### Marine XI Block, offshore Congo (Brazzaville)

*(40.39% working interest, SOCO-operated)*

Following the successful application for an exploitation permit ("PEX") over the Lidongo prospect, the Lidongo PEX commenced in Q4 2016 and discussions to improve its commercial terms were positively concluded in Q1 2017. The revised terms are awaiting approval of the Ministry of Hydrocarbons.

Three further PEX applications were submitted in March 2017 for retention of the Lideka East, Viodo and Loubana prospect areas beyond the expiry of the Marine XI Exploration Licence.

Discussions with the authorities and the Marine XII partners on commercialisation of the Lidongo area continue.

**Cabinda North Block**

*(Non-operated, 17% working interest)*

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. The legal documents to complete the changes are now being circulated among the parties for formal approval.

**STRATEGIC UPDATE**

The newly formed Business Development group, headed by Dr Mike Watts and Jann Brown, has heightened the Company's pursuit of material growth and optimal rationalisation of the portfolio.

SOCO's Board continues to be committed to its strategy of shareholder value creation through sustainable cash returns to shareholders and growth of the business.

**ENQUIRIES:****SOCO International plc**

Roger Cagle, Deputy Chief Executive and CFO

Antony Maris, Chief Operating Officer

Tel: 020 7747 2000

**Bell Pottinger**

Nick Lambert

Elizabeth Snow

Tel: 020 3772 2500

**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.