



Quarterly Operations Update

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JKX Oil & Gas PLC
14 April 2021

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JKX Oil & Gas plc
("JKX", the "Company" or the "Group")
Quarterly Operations Update

Highlights

- Net \$28.4m of cash and cash equivalents, and oil and gas inventory of approximately \$2.9m in value, held at 31 March 2021.
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- One deepening and two workovers were carried out in Ukraine in Q1 2021.
- The drilling rig has commenced drilling the next new well, IG149, after being on free of charge standby for Q1 2021.

Production

	Q1	Q4	Q on Q %	Q1	Q1	Y on Y %
	2021	2020	Change	2021	2020	Change
Total production, boepd	9,177	9,825	(7)%	9,177	10,996	(17)%
<u>Ukraine, boepd</u>	<u>3,843</u>	<u>4,351</u>	(12)%	<u>3,843</u>	<u>5,361</u>	(28)%
- Average gas production, Mcmd	517	592	(13)%	517	715	(28)%
- Average oil and condensate production, boepd	799	868	(8)%	799	1,155	(31)%
<u>Russia, boepd</u>	<u>5,334</u>	<u>5,474</u>	(3)%	<u>5,334</u>	<u>5,635</u>	(5)%
- Average gas production, Mcmd	896	919	(3)%	896	946	(5)%
- Average condensate production, boepd	58	64	(9)%	58	65	(11)%
<u>Hungary, boepd</u>	<u>0</u>	<u>0</u>	0%	<u>0</u>	<u>0</u>	0%
Prices realised						
<u>Ukraine</u>						
- Average gas price, \$/Mcm	214	168	27%	214	150	43%
- Average oil and condensate price (\$/bbl)	60	49	22%	60	49	22%
<u>Russia</u>						
- Average gas price, \$/Mcm	52	50	4%	52	56	(7)%

In Ukraine:

- In Q1 2021 the drilling rig has remained on free of charge standby with the drilling of IG149 commencing on the 9th April. IG149 is targeting the Ignativske Devonian in an undeveloped fault block containing the IG111 well. IG111 was successfully deepened to the Devonian in Q1 2021 and found 4.8m of net hydrocarbon bearing reservoir from logs.
- NN76, a PPC owned well in the Novo-Nikolaevske field, was worked over to test the V15 reservoir in March and is currently producing 243 boepd.
- NN75 ST is currently producing 125 boepd following 4m of additional

- perforations added in the V16 in January.
- Ukraine production of 3,843 boepd in Q1 2021 is 12% lower than Q4 2020 due to no drilling activity taking place in Q1 2021 and the loss of IG142 which produced an average of 321 boepd in Q1 2021 before it stopped producing in the middle of February.

In Russia:

- Acid jobs planned for January were postponed till Q2 2021 due to production being more stable than anticipated.

Liquidity

In \$m	31 Mar 2021	31 Dec 2020	30 Jun 2020	31 Dec 2019
Total cash and cash equivalents	28.4	24.3	14.5	20.6
Bond liability (principal and interest accrued)	-	-	-	(5.7)
Net cash	28.4	24.3	14.5	14.9
Approximate sales value of gas and oil inventory	2.9	2.2	1.7	4.1

Our Ukrainian subsidiary held 1.6 million cubic metres of gas and 38.4 thousand barrels of oil inventory available for immediate sale at 31 March 2021. Approximate sales value of gas and oil inventory is calculated using average sales prices for March 2021.

Rental fee claims

Claims issued by the Ukrainian tax authorities for additional rental fees for 2010 and 2015 are still being contested through the Ukrainian court process as explained in the 2020 Annual Report. In April 2021 the Poltava Circuit Administrative Court satisfied demands of Poltava Petroleum Company (PPC) in respect of the case No. 816/1191/16 and left the decision of first instance court in force. Final resolution of the 2010 and remaining 2015 rental fee claims cases is expected during 2021.

International arbitration award

The international arbitration award, directing the State of Ukraine to pay \$11.8m plus interest and \$0.3m costs to JKK as described in the 2020 Annual Report, was successfully legally recognised in Ukraine and JKK filed for collection. No possible future benefit that may result from this award will be reflected in the accounts until there is further clarity on the process for, and likely success of, enforcing collection.

Covid-19

The Group has all necessary arrangements in place to ensure the safe conduct of its business. We have implemented a number of policies recommended by Governments in the countries of our assets for the protection of our employees, as well as to help minimization of the spread of coronavirus (Covid-19). Our first priority is the safety and wellbeing of our staff. Our next priority is supporting the local communities, especially where there is a lack of medical assistance, and we have directed our corporate and social responsibility projects helping to fight further spread of Covid-19. We continue to monitor the impact of Covid-19 developments on our industry, operations, staff and contractors and are confident about the safety measures we put in place.

boepd - Barrels of oil equivalent per day
 bopd - Barrels of oil per day
 Mboe - Thousand barrels of oil equivalent
 Mcm - Thousand cubic metres
 MMcm - Million cubic metres
 Mcmd - Thousand cubic metres per day
 psi - pounds per square inch

This announcement contains inside information as defined in EU Regulation No. 596/2014 and is in accordance with the Company's obligations under Article 17 of that Regulation.

ENDS

JKX Oil & Gas plc
Dmytro Piddubnyy, CFO

+44 (0) 20 7323 4464

EM Communications
Jeroen van de Crommenacker

+44 (0) 20 7002 7860, +44 (0) 7887 946719

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