

Spanish Assets

2016



LGO's Spanish Assets

OVERVIEW:

- Late life asset with current production of around 125 bopd
- Recovery to date of < 18% of STOIIP. More Primary production probable and a possible EOR project
- Current annualised net revenue after tax up to € 1.0 million, depending on oil price



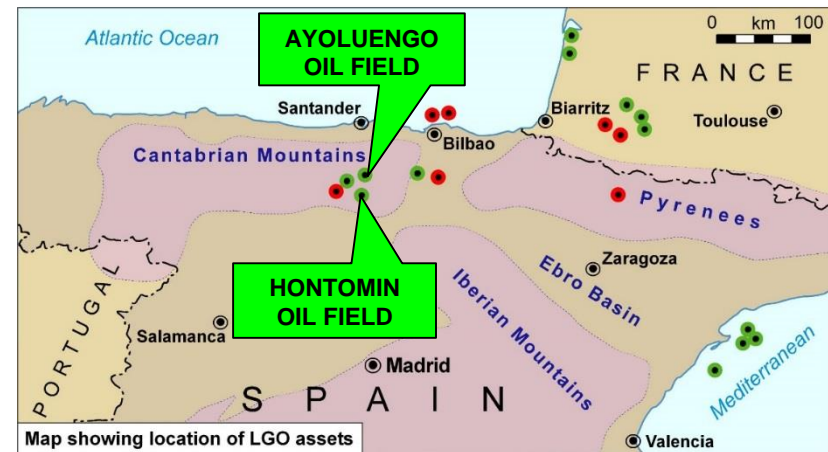
ASSETS: Onshore Northern Spain in the Cantabrian Mountains:

Ayoluengo Oilfield

- Discovered in 1964
- La Lora Licence, production concession, due for renewal in 2017
- Produced 18 mmbbls (STOIIP 104 mmbbls)
- Proven Liassic reservoirs not yet exploited

Hontomin Oilfield

- Discovered in 1968
- Huermeces Licence, awaiting for a production concession
- Test production only (STOIIP <4 mmbbls)
- Development of Hontomin as a low cost satellite to Ayoluengo



PLANNED ACTIVITY:

- Future opportunities to enhance production by side-tracking existing wells to reach unswept oil
- Investment only justified once the La Lora Concession is extended
- Extension application submitted to Spanish Authorities in August 2015, awaiting decision from Council of State
- Integrated structural, sedimentology and engineering studies underway in parallel with application so development can be accelerated once extension is granted

