

9 August 2018

PRESIDENT ENERGY PLC
("President", "the Company" or "the Group")

Trading update

President Energy (AIM: PPC), the upstream oil and gas company with a diverse portfolio of production and exploration assets focused primarily in Argentina, provides an update covering its forthcoming new well programmes at the Puesto Flores/Estancia Vieja Concession in Rio Negro Province, Argentina (President 90% and operator - Ediphsa 10%), Group production, and the forthcoming half-year accounts.

Key points

- Three well development drilling programme at Puesto Flores field confirmed to start by end September funded out of cash flow
- The wells target proven undeveloped reserves aimed at increasing gross Puesto Flores field oil production by a minimum of 600 additional bopd in aggregate
- Further development wells at Puesto Flores/Estancia Vieja expected in 2019 together with two exploration wells
- These complement 2019 development drilling in Puesto Guardian, Argentina and exploration drilling in Paraguay
- President's current normalised net production across all areas is approximately 2,700 boepd of which 95% is oil with the balance being gas in Louisiana
- Group free positive cash flow generation from operations now running in excess of US\$2 million per month
- H1 2018 results are anticipated to show a strong financial position with record high production in June
- The second half of the year expected to see further material improvement on the first six months

New drilling

President can now confirm that the previously indicated new three development well drilling programme at the Puesto Flores field will commence by the end of September with the rig contracted, long lead items ordered, approvals, consents and permits obtained, and specialist sub-contractors being chosen. The cost of the wells will be paid out of cash flow.

The wells all target proven undeveloped reserves, are designated in planned order of drilling PFO 1001, PFE 1001 and PFO 1005 and are aimed at increasing gross field production by 600 bopd in aggregate

on the base case. Each well is planned to be vertical with a depth of between 2,300 and 2,700 meters. Once drilled, the wells will be completed with a workover rig. It is expected the wells will deliver a rapid payback and it is currently projected that all three wells should be completed and on stream by the end of this year.

President has already received nine drilling permits for locations in Puesto Flores and it is expected that new development wells together with two exploration wells will be drilled at that Concession in 2019. The work next year will be complemented by new development drilling in Puesto Guardian, Argentina and exploration drilling in Paraguay.

Production

President's current normalized net production is approximately 2,700 boepd of which some 95% is oil with the balance being from the gas contribution coming from Louisiana. The successful workover programme at Puesto Flores is nearing its end with one well still to complete.

As referred to above it is anticipated that by the end of the year net production will be enhanced by oil from the new wells to be drilled at Puesto Flores.

In addition to the above, the currently shut in gas production capability of certain wells in the Estancia Vieja field would further add in excess of 500 boepd additional initial production if/when placed on line. Testing of certain wells there is still in progress. As previously announced President is working on ways to utilise such gas internally and to monetise any excess by early 2019. A progress report will be issued later this year.

The record level of production currently provides President with free positive cash generation from operations in excess of US\$2 million per month, and a strong financial position to move forward. It enables President to self-fund full year 2018 capital payments of over US\$25 million comprising capex of US\$16 million (including the forthcoming drilling), the payment of US\$7 million to the Rio Negro Province being the balance of the monies due on the grant of the Concession and also the repayment of US\$2 million of the US\$8 million bank debt taken out in November 2017.

The expected production from the new wells will further increase this cash generation.

Half year accounts

Whilst the interim accounts for H1 2018 are still in preparation with an estimated publication date of late September, they are anticipated to show a company in a strong and ever improving financial position. Furthermore, indications are that the second half of the year will see continued material progress as turnover grows and margins remain robust.

Peter Levine, Chairman of President, commented:

"With production and cash generation at record levels and the capability to further expand organically, we now move to the drilling programme with all at President focused on delivering continued operational success and profits.

At the same time, we continue to explore opportunities for growth by acquisition.

In all of this, as we rightly concentrate on profits, margins and cash, it is easy to neglect the fact that President also has significant exploration prospects in the north of Argentina and Paraguay.

Finally, I continue to be most grateful to all of our employees, partners and provincial authorities who, by their understanding and support are helping us deliver these good results.

The Board looks to the future with considerable confidence."

Victor Linari, Master in Geology and Geophysics and Member of Society of Exploration Geophysicists, who meets the criteria of qualified persons under the AIM guidance note for mining and oil and gas companies, has reviewed and approved the technical information contained in this announcement.

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Glossary

Bopd-barrels of oil per day

Boepd-barrels of oil equivalent per day (oil, gas and condensate)

Notes to Editors

President Energy is an oil and gas company listed on the AIM market of the London Stock Exchange (PPC.L) primarily focused in Argentina, with a diverse portfolio of operated onshore producing and exploration assets. The Company currently has independently assessed 1P reserves in excess of 15 MMboe and 2P reserves of more than 27 MMboe.

The Company has operated interests in the Puesto Flores and Estancia Vieja Concession, Rio Negro Province, in the Neuquén Basin of Argentina and in the Puesto Guardian Concession, in the Noroeste Basin in NW Argentina. The Company is focused on growing production in the near term in Argentina. Alongside this, President Energy has cash generative production assets in Louisiana, USA and further significant exploration and development opportunities through its acreage in Paraguay and Argentina.

President Energy's third largest shareholder is the IFC, part of the World Bank Group and is actively pursuing value accretive acquisitions of high quality production and development assets in Argentina capable of delivering positive cash flows and shareholder returns. With a strong institutional base of support and an in-country management team, President Energy gives UK investors rare access to the Argentinian growth story combined with world class standards of corporate governance, environmental and social responsibility.

This announcement contains inside information for the purposes of article 7 of Regulation 596/2014.