



Buying redundant oil assets and using EoR technologies to increase reserves

In March 2017, Technology Enhanced Oil acquired 246 oil wells and a fully functional gathering system in the Texas Permian Basin with a replacement value of US\$220m for US\$25m.

The asset’s value had been written down due to a perceived lack of recoverable reserves, only 77 wells were still in production and US\$7.7m had been budgeted in 2018 to shut in inactive wells.

One year later, following an investment of approximately US\$10m, 130 wells are now producers, the shut in cost has been reduced to US\$250,000 and the PV10 of Proven + Probable reserves has increased from US\$38m to US\$55m with an estimated US\$84m of Possible reserves. Further, by using the existing infrastructure to turn Proven Non Developed (PNDP) into Proven Developed reserves (PDP) we saved the time and cost of building new groundwork.

As a result of the successful implementation of new EoR technologies to reactivate wells and facilities we estimate the value of the refurbished infrastucture is now approximately US\$45m.

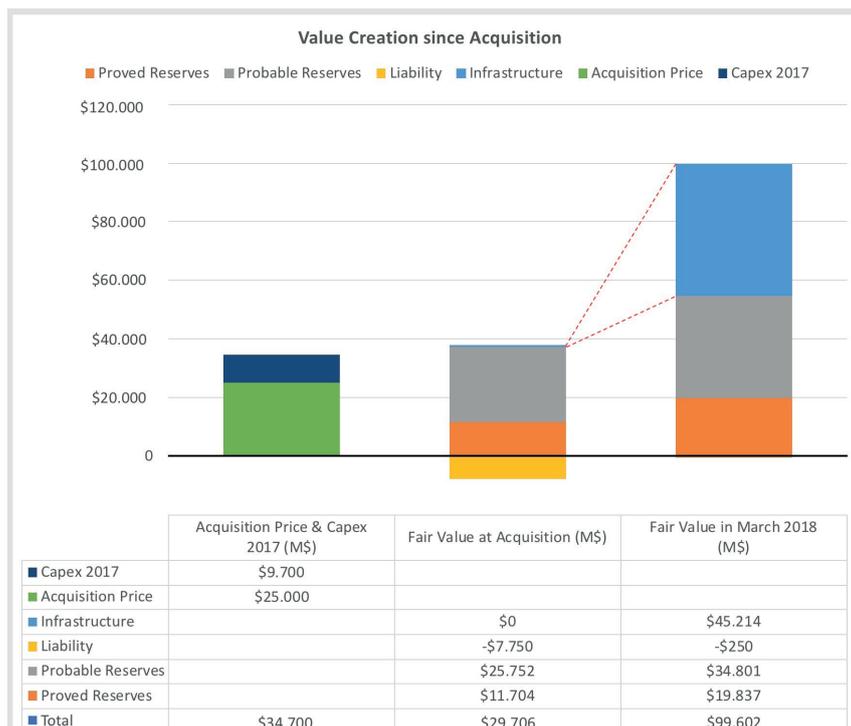


Chart 1. Value creation through increase of usable wells and gathering systems, reduced liability and increase of commercial reserves

Technology Enhanced Oil (TEO) uses EoR technologies to increase reserves economically and in an environmentally friendly way.

As new EoR technologies are increasingly used to prove the viability of production projects for Reserves Base Lending against substantial development costs, new rules have been adopted to reclassify Contingent Resources to Commercial Reserves.

As an example, new techniques that gain access to hydrocarbons that cannot be extracted by conventional methods and so improve the recovery levels of known reserves.

Analysis of Value Creation

TEO's strategy of using its market-leading experience in EoR technologies to acquire and reactivate existing wells and infrastructure has significantly increased the value of the Lovely Asset. TEO's success has reduced the level of uncertainty attached to the viability of many of the projects. The results allow reclassification of part of the discovered reserves from Contingent Resources to Commercial, bringing additional reserves into the Proven Categories and so increasing the asset value.

In one year of operation, TEO has increased the value of the Lovely asset to >US\$70m by successfully:

- Reactivating shut in wells and inactive gathering system facilities
- Extrapolating the results obtained on many wells to prove a large increase in reserves
- Removing the assumed liability of shut in wells from the new reserves survey linked to the waterflood plan
- Identifying production projects where EoR technologies can be used to achieve target profitability

The infills and waterflood projects, together with the continued development of reserves in existing facilities, create highly profitable scenarios by increasing commercial reserves.

TEO is focused on enhancing the value of active conventional assets through the use of innovative EoR technologies. Operating assets provide an opportunity to apply new technologies as most development facilities are already in place.

In one-year of operation, TEO has increased oil and gas production by 70% in the Lovely Asset, enhancing the potential of active wells, bringing inactive wells back in to production and increasing operational efficiency by implementing EoR technologies.

According to the December 2017 Reserves Report, TEO's Net BOE reserves for 1P (Proved) are 2,212 MBOE. TEO's commercial reserves grew to 22,577 MBOE for 3P (Proved + Probable + Possible) category. TEO has scheduled shortly to commence or conduct pilot tests in three new projects of Infill wells and Waterflood and has increased the amount of commercial *Undeveloped Reserves*.

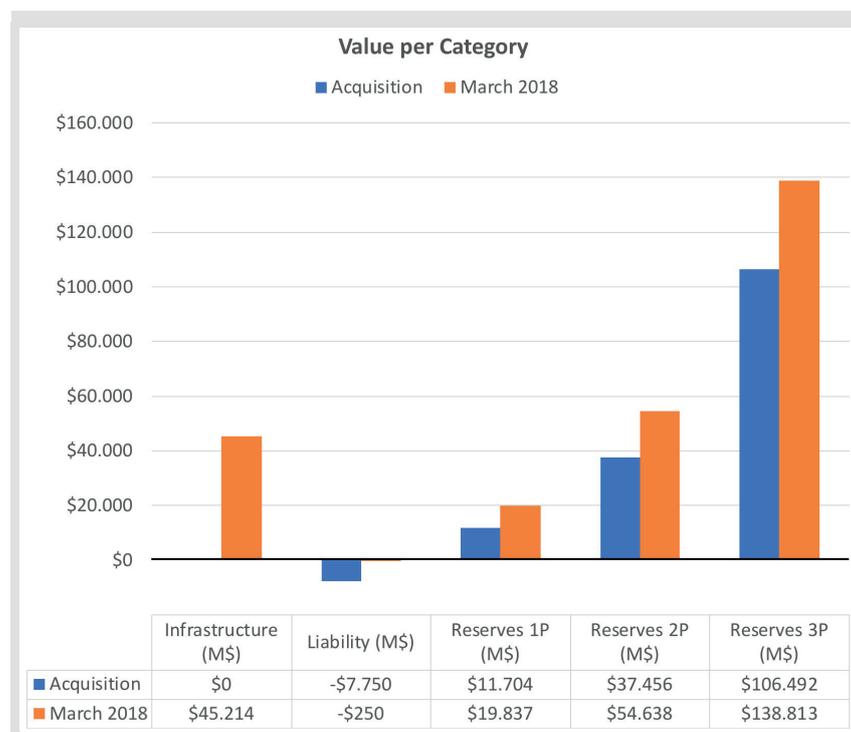


Chart 2. Comparison of created value per category since acquisition to March 2018

Forward Looking Statements and Other Legal Disclosure

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the company expects, believes or anticipates will or may occur in the future are forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this press release specifically include the expectations of plans, strategies, objectives and anticipated financial and operating results of the company, including any statement about the company's future financial position, liquidity and capital resources, operations, performance, acquisitions, returns, capital expenditure budgets, development activities, costs and other guidance included in this press release.

These statements are based on certain assumptions made by the company based on management's experience and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. Among other things, these include the volatility of oil and natural gas prices, oilfield development activity levels, the availability of raw materials and specialized equipment, the company's ability to deliver backlog in a timely fashion, the availability of skilled and qualified labor, competition in the oil and gas industry, governmental regulation and taxation of the oil and natural gas industry, the company's ability to implement new technologies and services, the availability and terms of capital, and uncertainties regarding environmental regulations or litigation and other legal or regulatory developments affecting the company's business, and other important factors that could cause actual results to differ materially from those projected as described in the company's filings with the Securities and Exchange Commission.

Any forward-looking statement speaks only as of the date on which such statement is made and the company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

Technology Enhanced Oil Plc

Salisbury House, London Wall London EC2M 5PS

Technology Enhanced Oil Inc

801 Travis Street, Suite 1818 Houston TX 77002

Company registered in England and Wales with No 9847538