



HORSE HILL
DEVELOPMENTS LTD

NEWS RELEASE

29th September 2014

CONVENTIONAL DRILLING AT HORSE HILL: UPDATE

Drilling at the Horse Hill-1 exploration well continues to make good progress and has now been drilled to a depth of 1,795 feet.

The well, located on the northern side of UK Weald Basin near Gatwick Airport, is planned to drill to a total depth of 8,680 feet and test a number of conventional oil and gas targets.

The primary oil reservoir targets in this conventional well lie in the Jurassic Portland Sandstone and the Corallian Sandstone. There is also a secondary oil target in the Jurassic aged Great Oolite Limestone. After penetrating the Jurassic, the well will be drilled further to test for gas in Triassic formations.

The licence holder and operator, Horse Hill Developments Limited, confirms that this is a conventional drilling project and none of the other partners have any interest in exploring unconventional opportunities. There are no unconventional shale targets.

HHDL is a special purpose company that owns a 65% participating interest and operatorship of onshore licences PEDL137 and the adjacent licence PEDL 246 in the UK Weald Basin. The participants in the Horse Hill-1 well are HHDL, with a 65% working interest, and Magellan, the originators of the operating licence, with a 35% interest.

HHDL would like to draw your attention to a statement by Magellan dated 18th September which states: "The Horse Hill-1 well, which is designed as a near vertical well that will not be hydraulically fractured, is targeting a conventional Triassic-aged gas target. In addition, the well will be used to evaluate various conventional Jurassic-aged formations."

<http://www.magellanpetroleum.com/media-center/press-releases/detail/244/horse-hill-1-well-drilling-update>

Scott Bradley, chief executive of Horse Hill Developments Limited, said: "We are delighted with the progress being made and the drilling performance to date. We now look forward to the next phase of this conventional project and await our target evaluation results eagerly."

HHDL will provide further updates on a regular basis.

Please visit www.horsehilldev.co.uk.

All media inquiries should go to brian.alexander@square1consulting.co.uk.



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UPDATED TECHNICAL INFORMATION:

Horse Hill-1 well has now been drilled to the second casing point at 1,795 feet measured depth and the setting and cementing a 13 3/8-inch steel casing is now underway. The bottom of the well is currently located in the upper part of the Jurassic and the well has encountered the expected mud gas up to C3 (propane) and mineral fluorescence just above current well depth.

Geological analysis and mud logging from rock cuttings circulated out of the hole indicate that geological markers in the well are slightly shallower than initially prognosed based on seismic and the nearby Collendean-1 well drilled by ESSO in 1964. The second casing point has been revised up from 1,865 feet MD to reflect this.