

17 May 2017

**Ophir Energy plc
("Ophir")**

Operational Update

Ophir provides the following operational update on the Bualuang Field ahead of its Annual General Meeting today.

Phase IV Development Sanctioned

A Final Investment Decision has been taken to commence the fourth phase of development on the Bualuang Oil Field in the Gulf of Thailand. The total investment is forecast to be US\$145 million from now until 2020 and is expected to deliver NAV growth of upwards of US\$50 million (NPV10) representing an unlevered IRR of 40+%. The development will consist of a 12 slot bridge-linked wellhead structure with additional power generation. It will include the drilling of up to 14 wells and an expansion of the water disposal capacity on the Bravo platform.

ERC Equipoise, Ophir's reserves auditors, have provided a letter of comfort to the Board that forecasts that the development will convert 9.2mmbo of contingent resources to reserves. First oil expected in the second half of 2018.

Through a combination of additional debt leverage and the Thai fiscal terms, the project is expected to start delivering cumulative positive cash flows from the start of 2019.

Under the company's remuneration scheme this FID decision is classified as a NAV event as it is progress towards monetisation of an asset. While this event itself increases Ophir's NAV toward the benchmark¹, it does not of itself trigger a remuneration reward to staff.

2017 Infill Drilling Programme

The Vantage Drilling Topaz Driller jack up rig is on location at the Bualuang field and has commenced operations on the 2017 infill drilling programme. This programme consists of two development wells and one well targeting untested prospective resources in a near-field step-out location. Abandoned well stock is to be recycled to target the three new locations with the goal of the development wells growing production by around 1,400 bopd. The cost of these development wells will be c. US\$12 million and is expected to add US\$23 million to the NPV of the project and payback within 12 months. Production year to date from the field is averaging 8,100 bopd.

Nick Cooper, CEO of Ophir Energy commented: *“Bualuang is a reliable, low cost, cash generative asset. Phase 4 is a great opportunity to grow NAV per share through the monetisation of additional resource with quick paybacks and a healthy IRR.”*

¹The opening benchmark was set on 1.1.16 and the NAV is comprised of the net cash on the balance sheet less one year of net G&A, NPV10 of the cash flows from 2P reserves, NPV10 of cash flows forecast from assets post FID (risked at 80%), value attributed to Tanzania and Equatorial Guinea assets equal to capital expenditure since the sale of equity in Tanzania to Pavilion in March 2014

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About Ophir:

Ophir Energy is an independent Upstream oil and gas exploration and production company focused on Africa and Asia. It is listed on the London Stock Exchange.