20 March 2019

GGO Licencing and Operations Update

New Licence Award and Operations Programme

Greenland Gas & Oil Limited (‘GGO’ or the ‘Company’) is pleased to confirm the award of a new licence and extension of existing licences, as well as provide details of upcoming operational activities on its Jameson Land acreage located onshore south-east Greenland.

The Government of Greenland has awarded GGO a 93.75% operating interest (Nuna Oil A/S holding 6.25%) in a new licence 2018/40 to the north of GGO’s existing licences through its open-door licence process. The Government of Greenland has also approved an extension of sub-period 1 of the existing licences, 2015/13 and 2015/14, through to 31 December 2020. Fiscal terms of all three licences are unchanged from the initial licence terms, whilst ongoing financial obligations have been rationalised across all three licences.

GGO Chief Executive Officer Mark Bilsland commented: “This is exciting news as it allows us to commence detailed planning for a drilling programme commencing in the fall of 2020. The award of the new licence 2018/40 will enable us to access the full potential of the basin as we can now include the area to the North of our existing licences in our detailed basin modelling and well planning.

In-house geological and geophysical work confirms substantial potential for hydrocarbon discoveries across eight different formations and play concepts, with total unrisked recoverable resource estimates remaining in the range of 300 million barrels (P90) to 28 billion barrels (P10) with a P50 estimate of 3.3 billion barrels.

The drilling programme is provisionally expected to cover two winter seasons, commencing winter 2020/21 with a minimum of two wells per season. GGO is currently assessing the need for further infill seismic in some areas of the licence and will be acquiring additional high definition full tensor gravimetric (eFTG) data over potential drilling locations in May/June this year.”

GGO Chairman Rod McIlree commented: “We are very pleased with the support we have received from the Greenland Government, this marks a very positive step towards the next phase of activity and growth of the company.”

Greenland Minister of Industry and Energy, Aqqalu Jerimiassen added: “The Government of Greenland is delighted that Greenland Gas & Oil has increased its licence holding and is actively planning for drilling activity. This marks a strong first step in our new oil & gas strategy, focusing initially on promoting onshore exploration activity.”

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