Jadestone Energy Inc. Announces Production Update and Hedging Guidance

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SINGAPORE, January 28, 2019 - Jadestone Energy Inc. (AIM:JSE, TSXV:JSE) ("Jadestone" or the "Company"), an independent oil and gas production company focused on the Asia Pacific region, is pleased to provide an update on production and hedging for the Montara asset, located offshore Australia (Jadestone 100%).

Highlights

● Strong performance at Montara since production restart, with a period of flush production following the asset shutdown

● Near-term production anticipated to stabilise at approximately 10,000 bbls/d, compared to 2018 average production of 7,615 bbls/d

● Swaps in place covering approximately 2.0 mmbbls of Montara production in 2019, with an average price of US$73.49/bbl for Q1 2019, a gain of approximately US$12/bbl on current Brent spot prices

● Asset inspections and maintenance now fully up to date and an increase in uptime and average production rates are expected during 2019

Montara production

Since the Montara asset came back on stream on January 11, 2019 the asset has performed well, with a period of elevated rates, caused by significant flush production following the asset shutdown.

Jadestone anticipates that flush production will continue for a period of time but will decline to an anticipated average daily rate of approximately 10,000 bbls/d in the near-term. This compares to average 2018 Montara production of 7,615 bbls/d (excluding downtime for the recent inspection and maintenance work).

The recent shutdown rectified a significant inspection backlog and a number of notices of improvement issued to the current operator, by the offshore regulator. The Company anticipates that as a result of works completed during the shutdown, there will be no major planned shutdowns until at least H2 2020.

As previously disclosed, Jadestone has submitted its Montara safety case and environment plan, which are under review by the regulator. Upon acceptance, the regulator will permit the transfer of operatorship to Jadestone.

Montara hedging

Jadestone has swaps in place covering approximately 2.0 mmbbls of Montara production in 2019, with an average price of US$73.49/bbl for Q1 2019. At current spot Brent crude oil prices, these hedges represent a gain of approximately US$12/bbl. In addition, the Company's hedging arrangements also provide call options on 76% of the 2019 swapped volumes, at a strike price of US$80/bbl, meaning the Company has access to upside prices, should benchmarks increase.

At current prices, the forecast payback of the net cash consideration for Montara, inclusive of the US$22mm adjustment provided to Jadestone in respect of the inspection and maintenance shutdown, is less than two years, despite lower prevailing benchmark prices.

The Company will provide additional corporate guidance, covering its intended work programme and value delivery across the business for 2019, later this quarter.

Paul Blakeley, President and CEO commented

"Since restarting production at Montara, we have seen a strong response from the reservoirs with production rates higher than anticipated. We expect this to continue for a short period and then start to stabilise at our planned rates for the year. With inspections and maintenance now fully up to date, the facility is running smoothly, and I expect we will see a significant improvement in uptime and an increase in average production rates accordingly.

"In addition, our hedging position, covering approximately 50% of our anticipated production, will help underpin strong cash flow for the year and maintain our early payback from Montara."

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About Jadestone Energy Inc.

Jadestone Energy Inc. is an independent oil and gas company focused on the Asia Pacific region. It has a balanced, low risk, full cycle portfolio of development, production and exploration assets in Australia, Vietnam and the Philippines.

The Company has a 100% operated working interest in Stag, offshore Australia, and a 100% working interest in the Montara project, offshore Australia, effective January 1, 2018. Both the Stag and Montara assets include oil producing fields, with further development and exploration potential. The Company has a 100% operated working interest (subject to registration of PVEP's withdrawal) in two gas development blocks in Southwest Vietnam and is partnered with Total in the Philippines where it holds a 25% working interest in the SC56 exploration block.

Led by an experienced management team with a track record of delivery, who were core to the successful growth of Talisman's business in Asia, the Company is pursuing an acquisition strategy focused on growth and creating value through identifying, acquiring, developing and operating assets throughout the Asia-Pacific region.

Jadestone Energy Inc. is currently listed on the TSXV and AIM. The Company is headquartered in Singapore. For further information on Jadestone please visit http://www.jadestone-energy.com.

Cautionary statements

Certain statements in this press release are forward-looking statements and information (collectively "forward-looking statements"), within the meaning of the applicable Canadian securities legislation, as well as other applicable international securities laws. The forward-looking statements contained in this press release are forward-looking and not historical facts.

Some of the forward-looking statements may be identified by statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of phrases such as "will likely result", "are expected to", "will continue", "is anticipated", "is targeting", "estimated", "intend", "plan", "guidance", "objective", "projection", "aim", "goals", "target", "schedules", and "outlook"). In particular, forward-looking statements in this press release include, but are not limited to statements regarding anticipated production rates, work programmes, schedule of Montara consideration payback and intended future guidance announcements.

Because actual results or outcomes could differ materially from those expressed in any forward-looking statements, investors should not place undue reliance on any such forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. Some of these risks, uncertainties and other factors are similar to those faced by other oil and gas companies and some are unique to Jadestone. The forward-looking information contained in this news release speaks only as of the date hereof. The Company does not assume any obligation to publicly update the information, except as may be required pursuant to applicable laws.

This announcement contains inside information as defined in EU Regulation No. 596/2014 and is in accordance with the Company's obligations under Article 17 of that Regulation.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE: Jadestone Energy Inc.