

# Jadestone Energy Inc Announces Business Update and 2020 Guidance Outlook

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SINGAPORE, February 25, 2020 - [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 a business update for the year ended December 31, 2019 and an outlook for 2020.

## 2019 Performance

Jadestone achieved its production guidance target for 2019, with full year production averaging 13,531 bbls/d. The Company achieved excellent safety and environmental performance, with no serious injuries, loss of containment or high potential incidents. All eight outstanding enforcement notices at Montara, inherited from the prior operator, were remedied.

Unaudited cash operating expense for the full year 2019 was US\$22.90/bbl<sup>1</sup>, after adjusting for non-routine maintenance items and workover activities at Stag.

All major spending projects were executed as planned, with the exception of the Montara H6 infill well and seismic acquisition which, as previously disclosed, were contingent upon accessing suitable offshore vessels and have been rescheduled for 2020. Total aggregate spend for the year was around US\$78mm (unaudited), of which approximately US\$55mm is expected to be booked as capital expenditure. The balance, treated as operating expenditure, was non-routine and largely arises from the riserless light well intervention.

As of December 31, 2019, the Company had an unaudited cash balance of US\$89mm, excluding restricted cash of US\$10mm deposited in support of a bank guarantee. The total principal outstanding on the RBL at year end was US\$50.1mm, a reduction of US\$11.8mm from September 2019, as the Company continued paying down the facility in accordance with its pre-defined payment schedule. Net cash was therefore US\$39.3mm, or US\$49.3mm inclusive of restricted cash.

Jadestone is continuing to receive record crude oil price premiums above Brent, with the most recent Montara lifting agreed at US\$7.60/bbl and Stag agreed at US\$21.00/bbl.

The Company intends to release its full year financial and operating results, including audited consolidated group financial statements, on April 23, 2020.

<sup>1</sup> Unaudited cash operating expense is a non-GAAP financial measure which does not have a standardised meaning prescribed by IFRS. This non-GAAP financial measure is included because management uses this information to analyse financial performance and efficiency and it may be useful to investors on the same basis. Unaudited cash operating expense is a non-GAAP measure which should not be considered an alternative to, or more meaningful than, "Production Cost" as determined in accordance with IFRS, as an indicator of financial performance. Unaudited cash operating expense equals Production Cost less expenses management deems to be exceptional or non-recurring, such as non-routine maintenance items and Stag's well workover costs. Because non-GAAP financial measures do not have a standardised meaning prescribed by IFRS, they are unlikely to be comparable to similar measures presented by other companies and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Production Cost will be disclosed along with the Company's full year financial and operating results, including audited consolidated group financial statements, on April 23, 2020.

## 2020 Outlook

The Company announces today its full year guidance for 2020, including:

- Average crude oil production between 13,500-15,500 bbls/d;
- Average unit production costs of US\$20.50-23.50/bbl;
- Capital spending of US\$160-190mm, including the start of major procurement and construction work in support of the Nam Du and U Minh field development, offshore southwest Vietnam, and drilling of the H6 infill well at Montara, and the 50H infill well at Stag;
- Reaffirmed guidance of a maiden 2020 cash dividend of US\$7.5-12.5mm, payable one third interim, two thirds final;
- Expected formal acceptance, including all regulatory matters, of Jadestone as operator of the Maari asset, offshore New Zealand, and completion of its acquisition of a 69% working interest in H2 2020; and
- A 3D seismic acquisition survey over the Montara blocks, which has already been completed this month.

#### Vietnam update

The Company's field development plan ("FDP") for the Nam Du and U Minh gas fields, offshore southwest Vietnam, is in the final stages of the formal Vietnamese Government approval process. Jadestone continues to anticipate final approval of the FDP, which includes approval of the gas price, shortly. FDP approval constitutes official project development sanction, and there are no further regulatory or permit consents to commence construction and ultimately deliver hydrocarbon production.

Detailed engineering and procurement activities have commenced, in connection with the development, which remains on schedule for first gas production in late 2021.

Further commercial arrangements relating to the sale of gas from the project are being incorporated into long form documentation with the buyer, in accordance with a Heads of Agreement signed in 2019. The Company expects to execute a gas sales and purchase agreement in the coming months, after the gas price is approved, as part of the FDP approval.

All major contracts and other commercial arrangements relating to the project are in final form, and ready for execution upon project sanction. These include a facilities EPC contract, an FPSO lease and related O&M contract, a joint development agreement for the two fields, and a tie-in services agreement for the connection into the Ca Mau pipeline. The Company is tendering the transportation and installation work and the drilling rig and long leads, which are planned for contract award in Q2 2020.

#### Financing update

Jadestone has mandated a syndicate of six banks comprising Australia and New Zealand Banking Group Ltd, BMO Capital Markets, BNP Paribas, Singapore Branch, DBS Bank Ltd, Natixis, Singapore Branch, and Société Générale, Singapore Branch, to enlarge, amend and extend its existing reserves based loan.

All commercial terms and conditions of the new facility (the "enlarged and amended RBL") have been finalised and agreed, along with all requisite credit committee approvals in place. The enlarged and amended RBL shall be secured against Montara and, following the satisfaction of certain conditions precedent including FDP approval, the Nam Du and U Minh gas fields.

The enlarged and amended RBL has an initial sizing of US\$200mm, together with a number of other structural improvements, including an accordion feature of up to a further US\$100mm, subject to customary approvals. It is anticipated that up to 60% of the capital costs of the Nam Du development, will be funded from the new facility.

Paul Blakeley, President and CEO commented:

"2019 was a year of significant growth for Jadestone, marked by a full year of Montara production and

value-accretive investments across our asset base. With some remedial activities carried out to restore the facilities for improved operational performance, and despite a year of exceptionally poor weather impacting our Australian production, we met our guidance promises and delivered strong cash flow, strengthened the balance sheet and laid the foundations for further growth for shareholders.

"We've also made good progress in delivering key cost reduction targets, both in gross terms and on a per barrel basis, reflecting our belief that major efficiencies are achievable across the portfolio, and I believe there's more we can do going forwards. This has been achieved with outstanding safety and environmental performances, reflecting core values for us in both environmental stewardship and social responsibility.

"Adding the highly accretive Maari project, offshore New Zealand, was a further positive step for the business and we're working on operatorship transfer and the necessary partner and government consents which are expected to be completed in the second half of 2020.

"At the same time, we've committed to an extensive work programme across a number of assets in the portfolio, with further infill drilling at Stag and a first infill well for us at Montara, as well as a new seismic survey to better refine our future opportunity set, all with the aim of extending field life, maximising the use of existing infrastructure and improving the sustainability of our business.

"Our southwest Vietnam gas development project will shift into high gear immediately upon field development sanction, including the award of a number of major procurement streams. The project team are maintaining schedule with selective long-lead orders while the FDP continues to work its way through Vietnam government approvals. Once approved, this project provides strong short-term growth, diversifies our portfolio with fixed price gas and, when it comes on stream, a predictable cash flow at a time of significant oil price volatility. We're excited to be working to deliver this project which has the potential to supply critical clean energy to a region which needs it, and we maintain our belief that we can deliver first gas on stream by late 2021.

"Finally, I'm delighted to be working with an expanded group of banks to deliver our new revolving line of credit, adding only modest leverage to our balance sheet, and providing the financing flexibility to underpin an upcoming period of relatively heavy capital spending, as well as supporting the potential to acquire further value-accretive opportunities as consolidation continues across the region."

#### TSX Venture Exchange de-listing

Since the admission of Jadestone's shares on AIM in August 2018, the Company notes the significant shift away from Canada in both the share register and in trading volume. The Company estimates that approximately 97% of its shares are held by non-Canadian residents. Further, about 98% of 2019's entire average daily trading volume took place on AIM.

As a result of the above, Jadestone intends to apply to have its shares de-listed from the TSX Venture Exchange ("TSXV") in Canada. The Company expects the de-listing process to be completed in March 2020. Additional directions on how to transfer holdings from the TSXV to AIM will be provided to shareholders in due course.

Upon de-listing from the TSXV, the Company will remain a Canadian domiciled corporation and will continue as a reporting issuer under Canadian rules in the near term, but will proceed to seek an order from the applicable securities commissions, to reduce its Canadian reporting requirements, as a designated foreign issuer.

The Company anticipates that this move will have an immaterial impact on trading liquidity, but will result in meaningful annual savings in administrative costs and management time, and without sacrificing visibility or transparency.

#### Capital markets event

Jadestone's management team will host an annual capital markets event today in London. The event will be

broadcast live, starting at 13:00 (London), 21:00 (Singapore), 08:00 (Toronto). The event is anticipated to run for about three hours, and will be available via the following webcast link and dial-in numbers:

Webcast link: <https://webcasting.brrmedia.co.uk/broadcast/5e4eaf986d91c26b10a745eb>

Event conference title: [Jadestone Energy Inc.](#) - Capital Markets Event 2020

Start time: 08:00 (Toronto), 13:00 (London), 21:00 (Singapore)

Approximate duration: 3 hours

Date: Tuesday, February 25, 2020

Country	Dial-in number
Australia	+61 (0)2 9193 3761
Canada	+1 888 204 4368
France	+33 (0)1 76 77 22 57
Germany	+49 (0)89 2030 35526
Hong Kong	+852 3018 4588
Indonesia	+62 007 803 0852 0003
Ireland	+353 (0)1 2465621
Japan	+81 (0)3 4563 0405
Malaysia	+60 (0)3 9212 8241
Singapore	+65 6320 9075
Switzerland	+41 (0)22 567 5750
United Kingdom	+44 (0)330 336 9411
United States	+1 888 204 4368

All presentation materials from the session will be made available on the Investor Relations section of the Company's corporate website shortly before the event.

#### PDMR

Following a recent review of the roles and responsibilities of senior management, the Company has determined that currently only the Directors are persons discharging managerial responsibilities, in relation to the Company, for the purposes of Market Abuse Regulation (EU) No.596/2014.

- Ends -

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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 the Stag oilfield and the Montara project, both offshore Australia. Both the Stag and Montara assets include oil producing fields, with further development and exploration potential. The Company has a 100% operated working interest 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. In addition, the Company has executed a sale and purchase agreement to acquire an operated 69% interest in the Maari Project, shallow water offshore New Zealand, and anticipates completing the transaction in H2 2020, upon receipt of customary approvals.

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 admitted to trading on AIM and is currently listed on the TSXV. The Company is headquartered in Singapore. For further information on Jadestone please visit [www.jadestone-energy.com](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 reserves volumes, production guidance and forecasts, opex and capital spending guidance, the financial benefits of the Maari acquisition and timing to completion, results of the Montara 3D seismic acquisition and the Montara infill wells, timing and impact of delisting from the TSXV, timing for approval of the Nam Du/U Minh FDP and gas sales and purchase agreement.

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.

The technical information contained in this announcement has been prepared in accordance with the March 2007 guidelines endorsed by the Society of Petroleum Engineers, World Petroleum Congress, American Association of Petroleum Geologists and Society of Petroleum Evaluation Engineers Petroleum Resource Management System.

Henning Hoeyland of [Jadestone Energy Inc.](#), a Subsurface Manager with a Masters degree in Petroleum Engineering who is a member of the Society of Petroleum Engineers and who has been involved in the energy industry for more than 18 years, has read and approved the technical disclosure in this regulatory announcement.

The information contained within this announcement is considered to be inside information prior to its release, as defined in Article 7 of the Market Abuse Regulation No. 596/2014, and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

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.

## Glossary

AIM	Alternative Investment Market of the London Stock Exchange
bbI	barrel
bbls/d	barrels of oil per day
EPC	engineering procurement and construction
FDP	field development plan
FPSO	floating production storage and offloading
mm	million
O&M	operations and maintenance

PDMR	person discharging management responsibilities
RBL	reserves based loan
T&I	transportation and installation
TSXV	Toronto Stock Exchange - Ventures

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