

# Jadestone Energy Inc. Announces Response to Oil Price Volatility

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SINGAPORE, March 10, 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, notes the recent fall in global oil prices, with the front end (May 2020) of the Brent oil price forward curve trading yesterday at around US\$36/bbl, mid-morning UK time.

## Highlights

- Significant downside protection in place. Half of Montara's production is hedged at an average price of US\$68.45/bbl through to September 30, 2020, resulting in a blended realised price of c.US\$60/bbl based on current oil prices (including latest realised premium);
- Realised pricing at a substantial premium to Brent. Stag most recently achieving a premium of US\$21/bbl and Montara realising US\$7.60/bbl;
- Cash flow resilience at low oil prices. The Company expects to remain operating cash flow positive in 2020, even at oil prices below US\$30/bbl;
- Strong balance sheet. Cash balance of US\$116.0mm at January 31, 2020, with outstanding debt of US\$50.1 mm; and
- Entirely discretionary forward capital programme provides the Company with maximum flexibility to adjust spending, in line with the macro environment.

Against the current backdrop, the Company's existing hedging programme provides very strong downside oil price protection. Half of Montara's production is hedged through to September 30, 2020 at an average Brent swap price of US\$68.45/bbl, or around US\$76/bbl inclusive of the premium most recently achieved of US\$7.60/bbl. On a blended basis, and based on the current front end of the forward curve, this implies a Montara average crude realisation of around US\$60/bbl through to the end of September.

Stag, as a heavy sweet crude, is enjoying an even stronger premium to Brent, with the current month's lifting secured at a US\$21/bbl premium to Brent.

As per our statement on February 25, 2020, the Company's guidance for cash opex/bbl in 2020 is US\$20.50-23.50/bbl. After allowing for workovers and other non-allocated G&A, the business is resilient and expected to generate positive operating cashflow in 2020, even at oil prices below US\$30/bbl.

Jadestone entered 2020 in an extremely strong position from both an operational and balance sheet point of view. In calendar 2019, the Company generated unaudited operating cashflow before changes in working capital, interest and taxes of over US\$175.0mm, ending the year with a total cash balance of US\$99.4mm after capital expenditure, and debt principal and interest payments.

At December 31, 2019 the total principal outstanding on the drawn reserve based loan, the Company's sole source of financial indebtedness, was US\$50.1mm, resulting in a net cash position of nearly US\$50.0mm, including restricted cash of US\$10.0mm. Since December 31, 2019, Jadestone's cash balance further increased to US\$116.0mm at the end of January.

Additionally, it should be noted that Jadestone's capital programme is entirely flexible and can be adjusted should we enter a lower-for-longer oil price environment. The two 2020 planned infill wells in Australia, H6 at Montara and 50H at Stag, can be postponed, with minimal regret costs relative to the capital programme.

No final investment decision has yet been reached on Nam Du/U Minh, a project which delivers fixed price gas to a local high growth energy short market. Any capital spending on Nam Du/U Minh in 2020 will take into account the current macro environment, the Company's financial strength and the Vietnam project's fixed price contracting mix, among other factors.

Paul Blakeley, President and CEO commented:

"As a specialist second phase operator, with a meticulous focus on costs, and entering the year with a robust Balance Sheet and strong downside oil price protection, I'm extremely confident of Jadestone's ability to withstand medium or longer-term oil price pressures. We have the added benefit of Asia Pacific oil production selling at a significant premium to Brent and, in Stag's case, a premium of over US\$20/bbl, and from a production base that generates positive cashflow even at low oil prices. Finally, with our strong net cash position and positive ongoing cashflow generation, we are well positioned to take advantage of inorganic growth opportunities, should the right asset(s) emerge for Jadestone".

- 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 in 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 [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 commodity prices, premia received on production from Montara and Stag, the timing of infill drilling at Montara and Stag, and the final investment decision and gas prices on the Nam Du/U Minh project.

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 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.

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