

Jadestone Energy Inc - Australia Infill Wells Deferred

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Jadestone Energy Announces Further Capex Reductions, Australia Infill Wells Deferred

SINGAPORE, April 22, 2020 - [Jadestone Energy Inc.](#) (AIM:JSE) ("Jadestone" or the "Company"), an independent oil and gas production company focused on the Asia Pacific region, notes the collapse of global crude oil benchmarks, with oil demand significantly impacted by the extended COVID-19 pandemic and the potential for prolonged oversupply. Against this backdrop, the Company believes it is prudent to implement stringent capital reductions across its portfolio and is therefore further reducing its 2020 capital expenditure guidance.

Jadestone's 2020 capital programme is almost entirely discretionary, and on March 19, 2020 the Company announced that it would defer the Nam Du and U Minh development project. Further, the Company today announces that it has opted to defer its Australia infill drilling campaign into 2021. This delay aims to best align capital spending with a strengthening oil price environment, maximising potential future returns, while preserving the Company's balance sheet and net cash position.

Collectively, these measures represent a reduction of 80% of the Company's originally planned 2020 spending, resulting in anticipated total capex of US\$30-35 million in 2020, of which approximately US\$15.5 million has already been spent in Q1 2020, including completing the Montara seismic campaign.

These measures further add to Jadestone's resiliency in the current environment, with a total cash balance of US\$109.4 million (excluding restricted cash of US\$10.0 million) as at March 31, 2020, or a net cash position of US\$72.1 million, and about a third of the Company's production hedged at US\$68.45/bbl through to September 30, 2020, and excluding incremental oil price premia.

Notwithstanding these changes, production is still expected to grow by circa 25% in 2021 with the addition of the Maari project, offshore New Zealand, which remains accretive to the portfolio and which continues through the transition process. With the delay in the Australian infill wells, the Company is now targeting a 2020 average production range of 12,000-14,000 bbls/d.

The Company also remains committed to returning capital to shareholders and, even in this extreme environment, is on track to deliver its maiden dividend in 2020.

Paul Blakeley, President and CEO commented:

"Five weeks ago, we announced a 50% reduction in capital spending by delaying the Nam Du and U Minh project in Vietnam, a relatively easy decision in today's unprecedented environment, particularly amidst delays in the Vietnam Government approvals. With the potential for significant longer-term demand destruction for crude oil due to the COVID-19 pandemic, as well as over-supply following a lack of cohesion around OPEC+ production quotas, we have elected to take the most conservative measures possible by eliminating almost all of our discretionary capital spending for the remainder of the year.

"We are fortunate to have this flexibility, and will therefore defer the Stag and Montara infill wells until next year, rather than investing into new wells which will deliver a high volume of production into a low oil price world. Whilst we remain operating cash flow positive, we see no point in eroding value in these investments and prefer to protect our balance sheet throughout this market turmoil, and come out the other side as one of the strongest survivors.

"Deferring the two infill wells not only sets us up to remain more resilient during this uncertain time, but also

allows us to potentially lock-in lower service costs next year, ahead of what we anticipate will be a recovering oil price environment, and achieve a better return for investors.

"By protecting the balance sheet, we not only protect the integrity of the business and shareholders' capital, but we also create additional financial flexibility to pursue opportunities, in addition to Maari, for further accretive, inorganic growth, that this oil price environment will undoubtedly present."

- 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 listed on the AIM market of the London Stock Exchange. The Company is headquartered in Singapore. For further information on Jadestone please visit 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 the Company's intent to defer its Australia infill drilling campaign into 2021, expected reductions to capital spending, 2020 average production, 2021 production growth and the timing and payment of a dividend.

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.

Henning Hoeyland of [Jadestone Energy Inc.](#), a Subsurface Manager with a Masters degree in Petroleum Engineering who has been involved in the energy industry for more than 19 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. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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