



Tendrara: Gas Discovery

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Sound Energy plc
("Sound Energy" or the "Company")

Tendrara: Gas Discovery And Potential Single Gas Column

Sound Energy, the European / Mediterranean focused upstream gas company, is pleased to confirm a significant gas discovery and a potential single gas column at the Company's Tendrara licence, onshore Morocco.

As previously announced by the Company, the first Tendrara well, TE-6, was drilled to a measured vertical depth of 2,665 metres, encountered the top of the structure and approximately 28 metres of net gas pay in the TAGI reservoir.

The Company has now completed operations and is delighted to announce that it has on 7 August 2016 achieved a stabilized gas flow rate, post stimulation, of 17.0 MMscf/d (0.5 million scm/d). This is significantly above initial expectations and represents a highly commercial rate.

The Company is also very pleased to report a reservoir bottom hole pressure of 420 bars and that the static pressure recorded in the well correlates, in terms of gas gradient, with all of the wells previously drilled in the licence area. The combination of these factors together with the fact that none of the historically drilled wells on the licence have identified a gas/water contact, suggests the possibility of a significant gas column within a continuous extended structure. This structure may include and extend beyond the reservoir identified at TE-2, some 30km to the North East. A further well (the Company's third well - TE-8) will be required at the edge of the potential structure to confirm this and is now being planned for later this year.

The Company, together with Schlumberger, is now preparing for the second well at Tendrara (TE-7, located approximately 1.3km from TE-6) using sub-horizontal drilling techniques which are expected to significantly increase the individual well flow rate in a success case. This will be followed by an extended well test. The rig-up process at TE-7 is already complete and drilling is expected to commence during August 2016.

TE-6 will be suspended until the results of TE-7 are confirmed, at which point the Company expects to apply for a production concession and commence detailed engineering for construction of the necessary infrastructure, which Oil & Gas Investment Fund (OGIF), one of the Company's partners, has already indicated an interest in funding, constructing and operating.

The Company has a net effective interest of 27.5% in the Tendrara licence.

This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

James Parsons, Chief Executive Officer of Sound Energy, commented:

"I am absolutely delighted to confirm a material commercial gas discovery at Tendrara and a resounding success at the first of our three Strategic Plays.

I believe Tendrara, Meridja and the Eastern Morocco TAGI play have the potential to be a material hydrocarbon province on a regional scale and therefore to transform both Sound Energy and the Moroccan gas industry.

We shall now, together with Schlumberger, proceed with the second well (TE-7 - due to spud later this month) and a further outpost well (TE-8 - expected to spud in Q4 2016), which will provide further insight on the long term potential."

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The information contained in this announcement has been reviewed by Sound Energy's Moroccan Managing Director, Luca Madeddu, a qualified petroleum geologist. MMscf/d means million standard cubic feet of gas per day and scm/d means standard cubic metres of gas per day.

This information is provided by RNS
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