

3 June 2009

JKX Oil and Gas plc**AGM STATEMENT**

Speaking at the Annual General Meeting today, JKX Oil & Gas plc's Chairman, the Rt. Hon. Lord Fraser of Carmyllie Q.C., said:

"I am pleased to report that realisations, revenue, profit and operating cash flow for the period were all at record levels, despite a reduction in average daily production to 11,012 boepd. Current daily production is marginally in excess of the 2008 average, at 11,200 boepd. As noted in the Interim Management statement of 1st May 2009, the equipment issues related to the decline in 2008 production have been resolved. However, whilst daily production at present is more than 10% above the first quarter average, overall production for the second quarter of this year is likely to be in line with the preceding quarter.

I believe that the 17% increase in booked 2P oil and gas reserves in the period is a significant achievement, representing a reserve replacement of in excess of 400%.

The Company drilled and/or completed nine new appraisal and development wells and two exploration wells on its Poltava production licences in 2008. The 2009 Ukrainian drilling programme is ongoing with seven well workovers and three new development wells drilled and completed to date. We are currently awaiting the completion of a further horizontal development well, a further well re-completion and testing of the second of the exploration wells drilled in 2008. The fracturing test programme on the technically challenging Rudenkovskoye Field is scheduled to commence this month, followed by acid fracs on tight carbonates in the Ignatovskoye Field. The Company continues to seek attractive development and exploration licences to add to its Ukrainian portfolio.

Significant progress was made in the period on the work programme to bring the Koskehabskoye Field in southern Russia on-stream. The 105 sq km 3D seismic programme was completed and agreement reached with the Russian state authorities to replace the field facilities and delay field start-up to 2010. The drilling rig mobilised from our operations in Ukraine into Russia is currently completing the second of the three well work-overs planned for this year, and testing of the first well is scheduled to commence this month. Design and procurement of the new field facilities are proceeding, with first gas targeted for fourth quarter 2010.

The Company continues to focus its exploration portfolio in central and eastern Europe. Drilling in Hungary on the Hernad licences led to a gas discovery in the period with first gas delivery scheduled for the third quarter of this year. The Company has subsequently extended its licence

position in Hungary with farm-ins to the Nyirseg and Veszto licences. In addition to seismic acquisition in its Golitza licences in Bulgaria in the period, the Company farmed into three licences in Slovakia and initiated seismic acquisition.

Dipesh Shah and Michel-Marc Delcommune joined the Board in the middle of 2008 as Non-Executive Directors. They have now both joined the Audit Committee under the chairmanship of Nigel Moore, and Dipesh Shah has taken over the chairmanship of the Remuneration Committee.

The Remuneration Committee has appointed independent consultants to undertake a thorough review of remuneration policies for executive directors. The Company is aware that a number of institutional shareholders have expressed concern about parts of our remuneration policies and their views will be considered as part of this review. We anticipate discussing with them any material changes to our current policies by the end of the year. Furthermore, after consultation with a number of institutional shareholders, the Board has decided to withdraw Resolutions 9, and 12 for further examination. It is our intention to resubmit these resolutions at a later date.

Your Board is recommending a 9% increase in dividend for the period, in line with its continued commitment to increasing returns to shareholders.

Finally, I wish to thank all members of staff for their continued enthusiasm and commitment to the Company and their contribution to its success, and also extend my thanks to all shareholders for their interest and support both now and in the future.”

ENDS

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