

FOR IMMEDIATE RELEASE

13 NOVEMBER 2008

JKX Oil & Gas plc (“JKX”)
INTERIM MANAGEMENT STATEMENT
FOR
THE THIRD QUARTER ENDING 30 SEPTEMBER 2008

	Q3 2008	Q3 2007	Change
Production (boepd)	10,978	12,787	[14%]
Oil Production (bopd)	3,588	5,669	[37%]
Gas Production (MMcfd)	44.3	42.7	4%
Realised oil price (\$ per barrel)	104.56	61.06	71%
Realised gas price (\$ per Mcf)	5.94	3.97	50%

JKX made significant steps towards achieving its 2008 key objectives in the third quarter; most notably with the booking of an 11 million boe increase in proved and probable reserves in Ukraine and pre-commissioning activities for tie-in to the 56 inch Soyuz trunk line. Commissioning of the tie-in was completed in November with the commencement of operational gas delivery.

Development

Ukraine: Gas production in the third quarter remained constrained to the capacity of the existing gas export line from our Poltava field facilities. This has meant that some oil wells with high associated gas but low pressure have had to be shut-in which, combined with delays in testing of new wells, has meant that oil production was below the levels anticipated, taking into account natural decline.

Work on the Soyuz tie-in continued through the period with installation of: the two new compressors, the second dew point control plant and fiscal metering systems. Commissioning commenced in October leading to full regulatory approval and transfer of the production from our Poltava fields to the Soyuz trunk line in November. This access removes the constraint on the volume of sales gas that can be delivered to the Company's Ukrainian customers.

Development activity in the period continued to focus on further development and appraisal of the Tournasian carbonate reservoir. The new workover rig undertook a programme of well repairs in the period. It has now moved on to well re-completions in preparation for the acid fracture and hydraulic

fracture programmes on a number of wells which are scheduled to commence in the latter part of the fourth quarter. These will include propped hydraulic fracs on Wells R101 and R102 on the Rudenkovskoye Field.

Poltava Petroleum Company ("PPC") experienced delay in completing, stimulating and testing a number of new and re-completed wells during the period due to the unavailability of the locally contracted coil tubing unit. The unit is now on contract in the field addressing the backlog of six wells awaiting stimulation and/or testing.

Russia: Yuzhgazenergie ("YGE"), JKX's wholly owned subsidiary, has completed processing and preliminary interpretation of the 105 sq km 3D seismic dataset over the Koshekhablskoye field. A location is being identified for the planned Callovian well which will also provide much useful data in the overlying Oxfordian reservoir which is the principal producing horizon in the field.

The Kremco 900 rig which is to undertake the Oxfordian reservoir workover programme arrived on location in early August. Delays in customs clearance means first gas test is now expected around the year-end.

Design of the replacement processing facilities is well underway and construction of the first long lead items is nearing completion. However, the revised schedule for procurement, construction and installation of additional new equipment, with provision for the attendant custom clearances and regulatory approvals, may defer YGE's target for sales gas delivery into 2010.

Exploration

Ukraine: The exploration Well Z3 on the Zaplavskoye Licence, located to the west of the Ignatovskoye Field, and exploration Well Z2, located to the south of the Molchanovskoye field, both commenced drilling during the period, with results expected during this quarter. PPC is currently seeking to extend the Zaplavskoye exploration licence area and subsequently to acquire additional seismic data over the enlarged area. The 42 sq km 3D seismic programme on the Chervonoyarske East Licence has been completed and is now being interpreted. No progress has been achieved in negotiations with the state oil and gas company to date on access to the existing wells on our Elizavetovskoye Licence.

Hungary: Following the success of the first Hajdúnánás -1 exploration well on the Hernad Licences (JKX: 50%), the Hajdúnánás -2 appraisal well is expected to be drilled in the fourth quarter. The well is planned to appraise the three discovered horizons and go to a deeper objective not reached in the Hajdúnánás -1 well. A 90 sq.km 3D seismic survey, which includes the area of the discovery well, is expected to commence within the next two months.

Bulgaria: The 250 sq km 3D seismic survey across the east-central parts the B and B1 Golitza licenses (JKX: 50%) began in October and is expected to finish, weather permitting, in February 2009.

Slovakia: Approximately 130 km of the 238 km regional 2D seismic planned for 2008 has been acquired, with the remainder of the survey being deferred until 2009 due to the very poor weather conditions encountered. The data acquired covers most of the north western area of the three licences (JKX: 25%).

Turkey: Encouraged by the discovery of light oil in deeper Palaeozoic sediments in a block adjacent to the South East Bismil Licences (JKX: 20%), evaluation of the seismic acquired to date is continuing with a view to acquiring additional seismic data in 2009. The Hakan Yilmaz-1 well drilled in the north of the Karakilise licence area (JKX: 30%) had oil shows but did not flow hydrocarbons from the Mardin

limestone principal objective. The operator, Aladdin Middle East, has proposed a seismic programme to evaluate the Palaeozoic (Bedinan) potential following recent exploration success in the nearby licence referred to above.

USA: The JJ#1 well (Pettet target) in the West Huxley Deep Unit (JKX: 34.4%) was completed in the period and failed to flow gas. A subsequent well, in which JKX elected not to participate, targeted the James Lime and was a dry hole. The Bureau of Land Management is now considering the operator's submission that, following the two wells, the Unit should enjoy a mandatory two year extension to explore for deeper prospectivity after the voluntary relinquishment of the Unit on 10th October. Potential is seen to lie in the Haynesville Shale which is present within the Unit and which has recently seen some success in nearby licences.

Outlook

JKX has continued to make steady progress in the third quarter. Looking ahead, the forthcoming months will see the Company engage in significant exploration and development activity with potential reserves additions, in the short term, coming from Ukraine and Hungary. JKX is pleased with the completion of the Soyuz tie-in and remains focused on progressing its Russian project and on building upon its progress to date.

ENDS

For further information please contact:

Sofia Rehman / Anthony Cardew / Matthew Law

Cardew Group

020 7930 0777