

16 February 2015

**FOR IMMEDIATE RELEASE**

**JKX OIL & GAS plc announces  
International Arbitration Proceedings**

JKX Oil & Gas plc and its wholly owned Ukrainian and Dutch subsidiaries (“JKX”) have commenced arbitration proceedings against Ukraine under the Energy Charter Treaty, the bilateral investment treaty between the United Kingdom and Ukraine and the bilateral investment treaty between the Netherlands and Ukraine. In these proceedings, JKX is seeking compensation for the losses it has suffered from Ukraine’s treaty violations, including Ukraine’s failure to treat JKX’s investments in a “fair and equitable” manner and failing to comply with commitments made by Ukraine in respect of JKX’s investments.

In particular, JKX is seeking repayment of more than USD 180 million in rental fees that its Ukrainian subsidiary has paid on production of oil and gas in Ukraine since 2011.

In support of JKX’s claims against Ukraine under the Energy Charter Treaty, an Emergency Arbitrator appointed under the Arbitration Rules of the Stockholm Chamber of Commerce has already issued an Emergency Award on 14 January 2015 ordering Ukraine to refrain from imposing royalties on the production of gas by JKX’s Ukrainian subsidiary in excess of the rate of 28% (as opposed to the 55% rate that is currently applicable under Ukrainian law). The Emergency Award is binding on Ukraine under international law; however, if Ukraine refuses to comply with the Award, JKX will seek to have it recognised and enforced by the Ukrainian courts. In addition, JKX will seek orders from the Tribunal constituted under the Energy Charter Treaty to compel Ukraine to comply with the Award.

JKX Oil & Gas plc is an exploration and production company listed on the London Stock Exchange. The Company has licence interests in Ukraine, Russia, Hungary and Slovakia.

ENDS

**For further information please contact:**

Cardew Group  
Anthony Cardew  
Lauren Foster

T: 020 7930 0777  
M: 07770 720 389  
M: 07887 676 603