

21 January 2014

3Legs Resources plc

Corporate update

3Legs Resources plc (the "**Company**"), an independent oil and gas group focusing on the exploration and development of unconventional oil and gas resources, announces the following corporate update.

Highlights:

Sale of German concessions

- Completed an agreement with Rose Petroleum plc for the sale of our 100% interest in our two German concessions, in exchange for a 2% royalty and a contribution of €400,000 towards back costs.
- The two licences were renewed for terms of two years each on 20 December 2013.

Lublewo LEP-1 vertical well

- Drilling of this well has reached a total depth of 2,924 metres in the Cambrian horizon; some 141 metres of full-diameter core have been recovered from the well and a comprehensive set of logs has been run.
- Preliminary data indicate that the Sasino shale formation in the area of the well has a similar thickness to that seen in the Strzeszewo LE-1 vertical well, as expected; the Piasnica shale zone is slightly thinner than that seen at the Strzeszewo LE-1 well, also as expected.
- The well has been cased, cemented and suspended; and the rig will shortly be prepared for mobilising to the next well location, Slawoszyno LEP-1.

Strzeszewo LE-1 vertical well

- Flow testing of the Sasino formation following the single stage frac of that horizon commenced on 24 December 2013 using a nitrogen lift.
- Gas flow to surface from the target zone was achieved for the duration of the test.
- Flow testing was concluded on 12 January 2014 and a pressure build-up test is now being conducted.

Other preparations for 2014 drilling programme on track

- Construction of the location for the next vertical well, Slawoszyno LEP-1, is well advanced and is expected to be completed by the end of January.
- Other preparations for the 2014 drilling programme are proceeding as scheduled.

Corporate update

Sale of German concessions

Our two exploration licences in southern Germany, originally granted in 2009, were renewed on 20 December 2013 after an extended application process, for further terms of two years each. Following renewal of these licences, we completed an agreement with Rose Petroleum plc whereby we agreed to transfer our interest in both concessions to Rose Petroleum in exchange for a royalty of 2% and a contribution of €400,000 towards our past costs. This transaction is consistent with our strategy, announced last year, of limiting our geographical scope to Poland in order to maximise our focus on our Baltic Basin concessions.

Lublewo LEP-1 vertical well

Drilling of the Lublewo LEP-1 vertical well has now been completed. The well was drilled to 2,924 metres true vertical depth into the Middle Cambrian interval. Some 141 metres of full-diameter 4-inch core were recovered

from the well over the Lower Silurian, Ordovician, and Cambrian intervals, and an extensive suite of logs was also run on the well at total depth. The cores and logs are now undergoing processing and analysis.

Preliminary analysis indicates that the well encountered a Sasino section of similar thickness to that seen in the Strzeszewo LE-1 vertical well, as expected. The precise thickness will be determined following final processing and analysis of the logs, but the preliminary data to date confirm our earlier modelling of the Sasino horizon across the northern portions of our western Baltic Basin concessions. Preliminary log analysis also indicates that the Piasnica horizon is slightly thinner than that encountered at the Strzeszewo LE-1 vertical well, also as expected. Precise figures will be confirmed once final log processing and analysis is completed. The well has been cased and cemented and temporarily suspended at intermediate casing depth. The rig is currently being prepared for moving to the next well location, Slawoszyno LEP-1.

Strzeszewo LE-1 vertical well

Following the single stage hydraulic fracture stimulation and test of the Piasnica formation in this well conducted in the third quarter of 2013, a single-stage hydraulic fracture stimulation was successfully executed in the Sasino formation in December 2013. Cleaning up of the well commenced on 24 December 2013, using a nitrogen lift as planned. The well continued to clean up for a period of 19 days, during which time the well flowed natural gas at modest rates. Some 63% of the frac fluid originally injected was recovered during this period. The well was shut in on 12 January 2014 and a pressure build-up test is now being conducted.

The hydraulic fracture stimulation and test have succeeded in their primary objective, namely to gather data that will assist in finalizing the remainder of the 2014 programme, in particular in the calibration of the frac design for the planned long lateral section.

2014 drilling programme

Other preparations for the 2014 drilling programme are proceeding as planned. Construction of the location for the second vertical well in the programme, Slawoszyno LEP-1 on our Karwia concession, is well advanced. Construction is due to be completed by the end of January, and drilling operations are expected to commence by late February following rig maintenance and mobilisation. This well is planned to provide further delineation of our focus area and potentially an alternative kick-off point for the long lateral well planned for the second quarter of 2014.

Drilling of the Slawoszyno LEP-1 well is expected to be followed in turn by the drilling of the planned long lateral well in the Sasino horizon at one or other of these two locations, Lublewo LEP-1 or Slawoszyno LEP-1. As previously announced, this decision will be made once both vertical wells have been drilled.

The planned acquisition of 67 km of 2D seismic data on our Leborg concession has been completed and the new data are being sent for processing and interpretation. This data will also assist in the placement of our planned lateral well, if it is decided to drill this at Lublewo, and potentially in the implementation of any future pilot development programme.

Kamlesh Parmar, Chief Executive of 3Legs Resources, said:

“We are pleased to announce the disposal of our interest in our German licences while at the same time retaining an interest in any future upside from these concessions. The transaction is consistent with the strategy we announced at the time of our last AGM, and demonstrates our commitment to focusing our resources on our most important project, namely our Polish Baltic Basin concessions.

“We are continuing to make good progress on our announced 2014 drilling programme. The drilling of the Lublewo LEP-1 well is an important first step in this programme and the extensive core and log data we have acquired will be invaluable for fine-tuning the strategy for our long lateral well planned for later this year.”

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Notes to Editors

3Legs Resources plc is an independent oil and gas group focused on the exploration and development of unconventional oil and gas resources. 3Legs Resources holds interests in six licences covering approximately 1,084,000 acres (gross) in the onshore Baltic Basin in northern Poland, a region considered to be one of the most promising shale basins in Europe.

The technical information and opinions contained in this announcement have been reviewed by Christie Ward Schultz (BSc in Petroleum Engineering, Texas Tech University), Engineering Manager of 3Legs Resources plc, who has over 14 years of experience in the oil exploration and production industry. She has consented to the inclusion herein of such technical information and opinions.

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