For Immediate Release

17 September 2014

3Legs Resources plc

Operations and corporate update

3Legs Resources plc (**'3Legs'** or **'the Company'**), an independent oil and gas group focusing on the exploration and development of unconventional oil and gas resources in Poland, announces the following operations update.

Highlights:

Baltic Basin: Lublewo LEP-1ST1H lateral well

- The well continues to flow natural gas and light oil in addition to frac fluid; a nitrogen lift was commenced on 20 August.
- Over the period from 8 August to 17 September, the well has produced at an average rate of 396 mscf/d natural gas and 157 b/d of light oil.
- The well is also continuing to flow back frac fluid and as at 17 September some 26.0% of the total amount of frac fluid originally injected had been recovered.
- The well is producing higher amounts of oil than anticipated, whereas natural gas production is lower than had been hoped.
- On the basis of the information presently available to it and reviewed with Netherland, Sewell & Associates, the Company does not feel confident that the flow rates from this well are likely to improve to a level that it would consider commercially viable.

Corporate update

- The Company has a one-time option to cease participation in activity on its three western Baltic Basin concessions once its net share of expenditure reaches US$19 million; this limit has now been reached.
- The Company has concluded that it would be in the best interests of its shareholders to exercise this option, thereby capping its financial liability in relation to the three concessions; it has now exercised this option.
- 3Legs estimates that it will have cash resources of approximately £17 million as at the end of September; it is actively considering its options to maximise cash returns to shareholders in the most efficient, timely and cost-effective manner.
- A further announcement will be made on 30 September, when the Company's interim results will also be published.

Lublewo LEP-1ST1H well

The Lublewo LEP-1ST1H lateral well is the third and last well in the Company's 2013/14 drilling programme. It is also the third lateral well, and the eighth well in all, to be drilled by 3Legs and ConocoPhillips in Poland's Baltic Basin to date. Located in the Company's high-graded area in the northern part of its three western Baltic Basin concessions, the well was designed to target the Sasino shale formation in an area where it was believed to be most prospective by reason of its thickness, depth and reservoir rock properties. The Company was pleased to report in earlier announcements that the well had been successfully drilled with a 1500 metre lateral section and stimulated with a 25-stage hydraulic fracture stimulation, all executed according to plan. The hydraulic fracture stimulation itself delivered some 7.7 million pounds of high-grade white sand proppant into the target shale formation. This compares with the last lateral well stimulation executed by the Company in the Sasino formation, when some 2.9 million pounds of proppant were delivered through a 1000 metre lateral section in the Lebien LE-2H well in 2011.

Following commencement of the long term test of the Lublewo LEP-1ST1H lateral well on 6 August, the well has continued to flow back frac fluid and hydrocarbons, comprising both natural gas and light oil. It subsequently became necessary to implement a nitrogen lift, and this was commenced on 20 August.

On 6 September the well was again temporarily suspended, this time so that the down-hole pressure gauges could be removed, to enable the bottom hole pressures to be read and actual well performance to be better evaluated. Following removal of the down-hole pressure gauges, the well continued to flow hydrocarbons and frac fluid with the aid of the nitrogen lift.

As at 17 September, the well was producing 512 mscf/d of natural gas and 115 b/d of light oil, and some 26.0% of the total amount of frac fluid originally injected had been recovered. Over the period from 8 August to 17 September, excluding some down time, the well has produced at an average rate of 396 mscf/d natural gas and 157 b/d of light oil.

The Company engaged the services of Netherland Sewell & Associates ('NSAI') to assist in reviewing the production and pressure data and to model likely well performance outcomes. NSAI also performed extensive analysis on core, log and production data taken from other wells drilled by the Company and ConocoPhillips on their western Baltic Basin concessions, to assist in modelling the likely future performance of the Lublewo LEP1-ST1H well.

In general, the well is producing higher amounts of oil than anticipated, whereas natural gas production is lower than had been hoped. While it had been hoped that early hydrocarbon production rates might improve substantially as the well continued to flow back frac fluid, this has not yet occurred.

With the assistance of NSAI, the Company has carefully analysed the daily production data accumulated to date and has reviewed the pressure data retrieved from the down-hole gauges, in order to model potential outcomes. It is likely to take several more months to complete the current testing programme, including a pressure build-up test after the completion of the current flow-testing phase. Nevertheless, on the basis of the information presently available to it and reviewed with NSAI, the Company does not feel confident that the flow rates from this well are likely to improve to a level which it would consider commercially viable.

The Company considers that the lateral well was successfully drilled and stimulated, in all material respects, in such a way as to maximise the production potential of the Sasino horizon at the Lublewo location, which is itself situated within the Company's high-graded area. Consequently the Company does not believe, based on current information, that a significantly better result could be achieved from testing the Sasino formation in a different part of its western Baltic Basin concessions. Moreover, to the Company's knowledge, there is no other activity being conducted or planned by other companies operating in the Basin that is likely to yield significant additional data in the coming months.

Corporate update

Under the agreement reached with ConocoPhillips in connection with the 2013/14 drilling programme, 3Legs has a one-time option to cease participation in activity on its three western Baltic Basin concessions once its net share of expenditure reaches a limit of US$19 million, on or before 31 December 2014. This limit has now been reached.

The advantage to 3Legs of exercising this option is that it would be discharged from liability to participate in expenditure on future activities on the three concessions, including both the cost of the remainder of the 2013/14 work programme over the $19 million limit, and the cost of end-of-life decommissioning of six existing wells drilled on the concessions by the Company and ConocoPhillips.

In view of the results to date of the Lublewo LEP1-ST1H well, which it considers to be at sub-commercial levels, and the further time needed to complete the remainder of the testing phase on the well when the prospects of a more successful outcome appear remote, the Company has concluded that it would be in the best interests of its shareholders to exercise its option to withdraw from the three western Baltic Basin concessions, thereby capping its financial liability in relation to these operations. This decision is also consistent with statements made to shareholders at the time when the 2013/14 programme was announced.

The Company has therefore today exercised its option to withdraw. Its equity interest in the three concessions will in due course be transferred to ConocoPhillips for no consideration, in accordance with the terms of the option arrangement.

3Legs estimates that it will have cash resources of approximately £17 million as at the end of September 2014. The Company is not currently conducting any other operations elsewhere and, moreover, has committed to its shareholders not to pursue other activities outside Poland. It is therefore actively considering its options to maximise cash returns to shareholders in the most efficient, timely and cost-effective manner. Further information will be provided in the Company's interim financial results, which are now scheduled for release on 30 September.

For further information contact:

3Legs Resources plc	Tel:	+44 1624 811 611
Kamlesh Parmar, Chief Executive Officer		
Alexander Fraser, Chief Financial Officer		
Jefferies Hoare Govett	Tel:	+44 207 029 8000
Simon Hardy		
Graham Hertrich		
Northland Capital Partners	Tel:	+44 207 382 1100
Matthew Johnson		
FTI Consulting	Tel:	+44 203 727 1000
Oliver Winters		
Shannon Brushe		

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. Following the transfer of its interest in its three western Baltic Basin concessions to ConocoPhillips, 3Legs Resources holds three concessions covering approximately 500,000 acres (gross and net) in the eastern part of the onshore Baltic Basin in northern Poland.

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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