

28 February 2014

U.S. Oil & Gas Plc.

("U.S. Oil" or the "Company")

Preliminary Consolidated Annual Results for 30 September 2013

The Company is pleased to report its preliminary annual results for the year ended 30 September 2013. The audited results are awaiting second partner signoff by the auditors and we anticipate issuing the Annual Report no later than 21 March 2014. The full Annual Report will be published on the Company's website on final signoff.

Operational Highlights

- Prospective Resources estimate upgraded to Contingent Resources of 19 Million barrels (C50) through a successful exploration and appraisal programme;
- Two producer zones on Eblana #1 with high quality oil of 33 and 28.5 API;
- Forrest A. Garb & Associates (FGA) estimate for US Oil's 88 Sq km lease area, 283 million barrels (P50) Prospective Original Oil-in-Place (OOIP) and 3.3 billion barrels at P10;
- New land survey results highly promising for hydrocarbons;
- Listing on OTC Markets in New York; and
- Field Development Plan in preparation.

Financial Highlights

- Administration expenses \$1,432k (2012: \$1243k). The increase in expenditure was primarily due to the exploration activity over the period.
- Total comprehensive loss \$1,431k (2012: \$1,221k); and
- Cash and cash equivalents \$986k (2012: \$3,518k). As a result of VAT refunds the cash and cash equivalents on hand as at 26 February 2014 amount to just over \$1m.

Review of the year ended 30 September 2013

The twelve months to 30 September 2013 was a period of intense activity for the company culminating in an independent report advancing the classification of part of our Hot Creek Valley asset from Prospective to Contingent Resources.

On May 23, 2013, the Company announced the findings of an independent Competent Person's Report (CPR) prepared by Forrest Garb & Associates (FGA). The report considered all the collected data and concluded that, although the Eblana #1 well had not been proved commercial, it did establish the presence of hydrocarbons. Best Estimate (P50) of Total Prospective Recoverable oil for the Company's full acreage was 57.2 million barrels. Contingent Recoverable oil for the immediate area of the Eblana #1 well (P50) was estimated at 19,256 million barrels. The High estimate (P10) for the Hot Creek Valley Prospect was 3,342,163 million barrels. The oil gravity was measured to be 28.5 and 33 API in two zones, which is higher quality than oil found in nearby producing wells in Railroad Valley and constitutes the first discovery of light, sweet crude in Nevada for thirty years.

The Forrest Garb CPR was based on the intensive programme of data collection from the Eblana #1 well undertaken by the Company from May 2012 to April 2013. The board believes that the quality of that data was exceptionally high, a tribute to the skill and dedication of the technical team, and the data has informed all of US Oil's subsequent exploration activities. I am also pleased to report that FGA confirmed that the Company used a thorough, rigorous process to identify possible oil and gas accumulations, mitigate risk, and determine the location of Eblana #1. Since the publication of the CPR, we have followed FGA's recommendation that further surveying be undertaken to establish the direction of 'updip' from Eblana #1 and, at the time of writing, three additional surveys, including Geochemical and Gravity Magnetic, have been carried out and data analysis is underway.

Throughout the period, the Company's activities were fully supported by the US Bureau of Land Management and the Nevada Division of Minerals, and I would like to thank them once again for their efforts.

Corporate and Planning

The period from July 2013 to the present saw an energetic programme of corporate activity directed at establishing strategic partnerships. I am happy to report that significant progress has been made in our discussions with potential partners, and relationships have been established at the highest levels with major industry players. Such discussions do, however, take time; and although little more can be said at this stage, I have every reason to believe that we will be able to make further announcements within a reasonable time-frame.

As part of this process, the Company was invited to submit to potential partners a Field Development Plan for the Hot Creek Valley property. The plan demanded a considerable investment of time and effort and is being developed closely with Forrest Garb & Associates. The document will guide

exploration and production activities, projects resource requirements and outlines company infrastructure development.

Post Balance Sheet Events

In late 2013 and into 2014, the Company undertook a reconnaissance Geochemical survey of its hitherto unsurveyed acreage and carried out Gravity Magnetic and Geochemical surveys of the area around the Eblana #1 well.

Preliminary results from the reconnaissance Geochemical survey of US Oil's hitherto unsurveyed wider lease area confirm that the oil reservoir previously identified, and targeted by the Eblana-1 well, extends significantly further South to South West into the Company's acreage. In addition, a second fault line, intersecting the first, strikes East-West and is wholly contained within the lease acreage. The intersection of the two lines shows stronger indications of the presence of hydrocarbons than does anywhere else on the acreage.

Additional surveys including Passive Seismic and 3D Seismic may be carried out to further define these structures.

An important objective of the Geochemical and Gravity Magnetic surveys of the area immediately around the Eblana #1 well was to confirm the direction of 'updip.' Extremely harsh soil conditions hampered the Geochemical study, although it confirmed light hydrocarbons and indicated favourable readings north and slightly west of the well. The Gravity Magnetic survey produced good quality data. Initial analysis indicates that an integrated interpretation will allow further development of the geological model of the target area and will provide the structural information required for targeting the next drills. This analysis and modelling activity continues. The objective of our planned drills will be to progress the project towards a commercial find in Hot Creek Valley, to move the asset further up the value chain to Proved Reserves and to further delineate the extent and size of the oil system.

Cash Position

The cash position as at 31 September 2013 was \$985,985 excluding VAT rebate. Following a partial VAT rebate, as at 26 February 2014, the company had just over \$1m cash and cash equivalents with c. \$35k still due from VAT rebates. This sum does not include a repayable Bond of \$100,000 lodged with US regulatory authorities to cover possible future well reclamation costs, and part or all of which may be recoupable.

Currently, the available cash is sufficient to drill and complete a well targeted on the tertiary volcanics in the Company's area of exploration or to carry out a horizontal drill from Eblana #1. However, the Board is currently reviewing all drilling options as geological modeling and field development planning continues.

Outlook

Given the unpredictable nature of oil and gas exploration in terms of time and cost, the Board feels entitled to point out that its policy to date of minimising fixed costs and conserving funds has been entirely vindicated. This approach has placed an enormous burden on the team and has delayed certain desirable developments in terms of recruitment and company infrastructure but has undoubtedly contributed to the company's relative stability to date.

I believe that US Oil & Gas has, in this last period, made excellent progress. We not only have an independently verified discovery on our first drill, but part of that discovery has been classified as Contingent Resources. In addition, the estimates for Prospective Resources featured in the Competent Person's Report, and the indications from our recent surveys of the wider acreage, suggest the possibility of a large-scale field in Hot Creek Valley.

As always with oil and gas exploration, firm commitments to timetables are not always practical or advisable, but the Company has spared no effort in advancing its programme as speedily as possible consistent with conserving funds in the short term and protecting shareholder value in the longer run.

Brian McDonnell

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2013

Continuing Operations

	30 Sep '13	30 Sep '12
	\$	\$
Administrative expenses	-1,432,231	-1,242,527
Operating loss	-1,432,231	-1,242,527
Finance Income	1,422	21,535
Loss for the year before taxation	-1,430,809	-1,220,992
Income tax expense		-
Loss for the year from continuing operations	-1,430,809	-1,220,992
Other Comprehensive Income	-	-
Total Comprehensive Loss for the year	-1,430,809	-1,220,992
Loss attributable to:		
Equity holders of the Company	-1,430,809	-1,220,992
Total Comprehensive Loss attributable to:		
Equity holders of the Company	-1,430,809	-1,220,992
Earnings per share from continuing operations		
Basic and diluted loss per share (cent)	-3.45	-2.95

Consolidated Statement of Financial Position

as at 30 September 2013

	30 Sep '13	30 Sep '12
	\$	\$
Assets		
Non-Current Assets		
Intangible Assets	5,089,878	3,947,199
Total Non-Current Assets	<u>5,089,878</u>	<u>3,947,199</u>
Current Assets		
Trade and other receivables	187,416	294,352
Cash and cash equivalents	985,985	3,517,730
Total Current Assets	<u>1,173,401</u>	<u>3,812,082</u>
Total Assets	<u><u>6,263,279</u></u>	<u><u>7,759,281</u></u>
Equity		
Capital and Reserves		
Share capital	5,670	5,670
Share premium	9,742,553	9,742,553
Retained Loss	-3,775,017	-2,344,208
Attributable to owners of the Company	<u>5,973,206</u>	<u>7,404,015</u>
Total Equity	<u>5,973,206</u>	<u>7,404,015</u>
Liabilities		
Current Liabilities		
Trade and other payables	290,073	355,266
Total Current Liabilities	<u>290,073</u>	<u>355,266</u>
Total Liabilities	<u>290,073</u>	<u>355,266</u>
Total Equity and Liabilities	<u><u>6,263,279</u></u>	<u><u>7,759,281</u></u>

THE DIRECTORS OF THE COMPANY ACCEPT RESPONSIBILITY FOR THE CONTENTS OF THIS ANNOUNCEMENT

For further information contact:

Brian McDonnell, Chief Executive Officer +353 (0) 1 6319022

Alexander David Securities Ltd – Corporate Finance Adviser

Fiona Kinghorn/David Scott +44 (0) 20 7448 9800

GXG Markets

Simon Kiero-Watson +44 (0) 20 7653 1935

skw@gxgmarkets.co.uk

Alex Bengner +44 (0) 20 7653 1935

ahb@gxgmarkets.co.uk

Notes to Editors

U.S. Oil & Gas plc is a GXG quoted (Ticker: USOP) oil and gas exploration company with a strategy to identify and acquire oil and gas assets in the early phase of the upstream life-cycle and mature them. The Company's main asset is in Nye County, Nevada where it holds the entire share capital of US-based company Major Oil International LLC ("Major Oil"). Major Oil has acquired rights to exploration and development acreage in Hot Creek Valley, Nye County, adjacent to the oil and gas rich Railroad Valley area of Nevada, both of which are part of the Sevier Thrust of central Nevada and western Utah, USA.

For further information please refer to our website at: www.usoil.us

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