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EnergyPathways PLC
16 January 2024

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EnergyPathways plc

("EnergyPathways" or the "Company")

Corporate Update

EnergyPathways plc (AIM: EPP), an integrated energy transition company, is pleased to provide the following update regarding its wholly owned and operated Marram Field project (the "Marram Project") and strategic objectives for 2024.

Investment Highlights

- EnergyPathways was admitted to AIM on 20 December via a reverse takeover transaction with Dial Square Investments plc
- Proceeds of the £2m equity raise to be used to progress the Marram Project to FID in 2024
- The Marram Project is a fully appraised low emission gas field in the UK Irish Sea containing up to 35.3 Bcf of undeveloped gas 2P Reserves and 11 Bcf of 2C Contingent Resources in high-quality reservoirs
- The Marram Project has potential to be developed as a short cycle low emission project with first production potentially as early as 2025
- Focused strategy based around near-term, low emission gas development and longer-term energy transition solutions
- Supportive market drivers underpinned by the UK's prioritisation of domestic gas to support Energy Security and Energy Transition to Net Zero

Strategic Milestones for 2024

In support of its strategic objectives, the Company is progressing a number of interrelated commercial and technical workstreams in support of a Marram Project FID , which the Directors of the Company anticipate may be as early as in 6-9 months' time, as follows.

- securing certain long lead items for development;
- results from tie-back optimisation studies

- pre-FEED and FEED completion;
- Field Development Plan (FDP) Government approval;
- Project FID;
- Environmental Statement and approval;
- arranging development financing (debt and equity);
- UKCS 33rd licensing application and]"Out of Round" licence requests;
- securing additional low emission gas resources; and
- establishing low carbon technology partnerships

Recent Developments

The Company has secured a first right of refusal with a major subsea equipment provider to purchase two subsea production trees. The Company is going to progress with equipment certification and testing of the trees. This arrangement will remove a major critical path item from the Marram Project schedule, noting that the manufacture of new subsea trees in the industry is estimated to take 18-24 months.

EnergyPathways submitted an interim Environmental Statement to OPRED for consultation with relevant local, regional and national authorities and favourable feedback was received from OPRED. Due to the high shipping levels of the region, a Navigation Risk Assessment is necessary and will now be undertakento prepare the project's final Environmental Statement for OPRED approval, which is expected to take approximately two months. The Company believes it is well positioned to meet the Environmental Statement approval strategic milestone in line with its objectives.

In parallel with these operational milestones, management continues to assess optionality with regards to the development financing of the Marram Project. In this regard, the Company has received expressions of interest, including term-sheet offers, and will seek to progress those discussions in the near-term. The attractive economics of the Marram Project, make the project appropriate for debt financing, with management estimating that in the order of 70% of the development capex could be funded through such a facility.

With regard to business development, EnergyPathways awaits the result of its 33rd licensing round application for an additional licence,. The Company notes recent confirmation from the NSTA that it expects to announce the awards of the 33rd Licencing Round during Q1 2024.

Commenting on the outlook, CEO Ben Clube said:

"With our AIM admission concluded a few weeks ago, our full focus has turned towards the operational milestones that will define this year and generate material long-term value for our stakeholders. Our intention is to progress the Marram Project towards FID and we are progressing the various commercial and technical workstreams to achieve that critical value-catalyst. The economics of the project are very attractive and the fundamental market drivers for the development of the

Marram Project remain compelling - both of which provide confidence that we will achieve FID in the timeframe set out during the IPO process.

We are presently engaged in evaluating tie back options for the development that best position the Company for the development of the broader regional potential. We are in progressive discussions regarding development financing arrangements and are encouraged by the reaction of counterparties who recognise the strong cash flow profile and rapid payback of the project. In parallel, we continue to screen opportunities to build materiality and scale, and hope to receive positive news in the coming months regarding the Marram Project lookalikes that we have bid for in the 33rd licencing round, as we seek to capitalise on our early mover advantage in UK Irish Sea, a region with numerous undeveloped gas discoveries, existing infrastructure and the ability to support the UK's objectives in terms of Energy Security and Transition. We look forward to communicating our progress to the market as we achieve the numerous core operational milestones set out today."

Strategic Overview

On 20 December 2023 the Company concluded its reverse take-over transaction with Dial Square Investments plc, and IPO and was admitted to trading on AIM as EnergyPathways plc, under the ticker EPP.

EnergyPathways was the only energy company admitted to AIM in 2023 and the Board believes that this success, which was achieved despite extremely challenging market conditions, reflects the substantial potential value that the Company's strategy can create for its shareholders.

The macro factors that underpin the attractiveness of the Company's strategy continue to develop favourably with ever-increasing recognition in the UK, across Government, among regulators, energy consumers and the investment community, all of which recognise the inescapable fundamental that UK domestic gas will have a critical role to play in the UK's energy mix for decades to come and that the expansion of the UK gas sector is essential to providing energy security and delivering on the nation's net zero commitments.

EnergyPathways is well positioned to contribute to delivering on the exceptional growth in this expanding energy arena both in the near term and long term. The Company's foundation gas asset, the 100% owned Marram Project, is a field that is fully appraised, "development ready" and has the potential to generate high rates of return and significant value for shareholders in the near term. The Company is targeting similar low emission energy assets for development that can be dedicated to supplying the UK market with low emission domestic gas, offsetting the significantly higher emissions of imported LNG, and so provide the UK with much needed energy security, while also contributing a more environmentally beneficial solution for the nation's energy requirements.

The Company has a "first mover advantage" in the East Irish Sea region, a region that has substantial overlooked low emission gas accumulations, based on EnergyPathways' estimates, of over 2 Tcf. This region has significant potential to integrate its untapped gas resources with energy transition opportunities and energy infrastructure contained within the region. These include the nearby hydrogen hubs, extensive carbon capture and storage reservoir capacity under development. Regional gas production can also be used to compliment the significant and currently under-utilised renewable wind generating capacity of the region, by providing long duration energy storage, hydrogen production and back up low emission powergen.

To this end, the Company is pleased to see that the UK Government continues to progress its plans for UK licences for oil and gas projects in the North Sea to be awarded annually in the future.

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For further information on EnergyPathways visit www.energypathways.uk and @energy_pathways on X (formerly Twitter).

Forward Looking Statements

This announcement contains forward-looking statements relating to expected or anticipated future events and anticipated results that are forward-looking in nature and, as a result, are subject to certain risks and uncertainties, such as general economic, market and business conditions, competition for qualified staff, the regulatory process and actions, technical issues, new legislation, uncertainties resulting from potential delays or changes in plans, uncertainties resulting from working in a new political jurisdiction, uncertainties regarding the results of exploration, uncertainties regarding the timing and granting of prospecting rights, uncertainties regarding the timing and granting of regulatory and other third party consents and approvals, uncertainties regarding the Company's or any third party's ability to execute and implement future plans, and the occurrence of unexpected events.

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