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EnergyPathways PLC
16 May 2024

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EnergyPathways plc

("EnergyPathways" or the "Company")

Company Update

EnergyPathways plc (AIM: EPP), an integrated energy transition company, is pleased to provide the following update on its plans to deliver clean, home-grown energy for the UK.

Key Highlights

- EnergyPathways continues to make solid progress on the planned development of its flagship Marram energy storage project ("Marram" or the "Marram Project"), a fully appraised 'Ready to go' low-cost development that can provide critical gas supply and storage infrastructure for the UK, targeting first gas in 2025

- Ongoing engineering and design work confirms the feasibility of EnergyPathways' plan to develop the Marram Project for future gas storage use and to integrate it into a wider UK Irish Sea energy storage project, incorporating other geo-storage reservoirs, storage infrastructure and hydrogen production to support the UK energy market's future needs

- "Out of Round" requests for gas production and gas storage licences are progressing with the North Sea Transition Authority ("NSTA"), the UK's oil and gas, offshore hydrogen, and gas and carbon storage industries regulator

- The Company was outbid for the Castletown discovery block application made in the 33rd licensing round

- Discussions are progressing with a major regional wind company for the supply of renewable wind power to the planned Marram Project and an expanded UK Irish Sea energy storage project

- Engineering studies have substantially confirmed the potential to fully electrify EnergyPathways' Marram Project and a UK Irish Sea energy storage project

- Discussions are progressing well on both debt and equity financing

Marram Update

The Company continues to make solid progress on the planned development of its flagship Marram Project in the UK Irish Sea that contains up to 35.3 Bcf of undeveloped gas 2P Reserves and 11 Bcf of 2C Contingent Resources in high-quality reservoirs and shallow water, and its subsea tieback development opportunity in close proximity to existing gas and electricity infrastructure (circa 15-25km) that has available capacity. The development is expected to comprise two shallow short lateral production wells and targeting first gas as early as 2025.

Ongoing engineering and design work have confirmed the feasibility of EnergyPathways' plan to develop Marram for future gas storage use and into a UK Irish Sea energy storage project involving potential other geo-storage reservoirs, storage infrastructure and hydrogen production to support the UK energy market's future needs.

The first phase of this wider energy storage project concept is the development of the Marram gas field, initially for gas production before it is transitioned for gas storage use and hydrogen operations. EnergyPathways has requested a licence extension to the Marram block area so there is more than adequate time to update its Field Development Plan for its decarbonisation and storage initiatives.

Once the Marram Gas field is in operation, it will initially increase domestic gas supply before transitioning to storage operations and hydrogen production which is expected to enhance UK energy market security and efficiency while supporting the UK's transition to renewable energy.

In parallel to progressing Front End Engineering Design (FEED) works on the proposed Marram Gas field development, negotiations are progressing on an offer to purchase all gas produced from the Marram Field and the Board of EnergyPathways are optimistic of seeking expressions of interest in relation to foundation storage contracts.

Engineering studies with leading technical contractors continue to support a fully-electrified-development approach for Marram's proposed initial gas development and future storage. EnergyPathways is working to establish an alliance with leading engineering contractors to design the electrification of wellhead control systems which will be connected to dedicated renewable power sources and battery storage solutions. The assessment is also considering electrically powered gas compression solutions for Marram gas production and future gas storage use.

On available funding sources for the proposed Marram Project development, EnergyPathways is engaged in ongoing discussions and confidential negotiations regarding debt financing options for Marram and the acquisition of regional energy infrastructure assets. In parallel, the Company has received expressions of partnership interest from energy sector companies providing additional optionality for development financing. These discussions are early stage, however, management are encouraged by the level of interest it has received from the various funding sources and is actively pursuing all possible alternatives.

UK Irish Sea Licence Applications

As previously announced, EnergyPathways has submitted "Out of Round" licence requests to the NSTA regulator for licences EnergyPathways' plans to incorporate into its UK Irish Sea

Energy Storage Project. The "Out of Round" licences requests include; gas production licences for the "ready for development" Knox and Lowry fields, and gas storage licences for the Marram, Knox and Lowry fields. Following the completion of the 33rd Licensing Round, we anticipate that the NSTA will start evaluating these "Out of Round" licence requests.

The Company also submitted a 33rd Licencing round application for the Castletown discovery block in the UK Irish Sea. While EnergyPathways' bid was unsuccessful, feedback from the NSTA indicates that the Company submitted a strong technical and financial bid.

Commenting on the update, CEO Ben Clube said:

"This continues to be a very active period for EnergyPathways as we progress, as a priority, the development of the Marram energy storage project to provide critical gas supply and storage infrastructure for the UK. Good progress has also been made in developing our vision of an expanded UK Irish Sea energy storage project, and with the conclusion of the UK 33rd Licensing Round, it is expected the NSTA will shortly start the evaluation of "Out of Round" licence requests including our gas production and gas storage licence requests. Like Marram, the Knox and Lowry licence requests are also "ready for development" meaning they will not require appraisal drilling and would therefore likely require significantly lower levels of pre-development investment than Castletown would have required. The engineering studies for the initial development of Marram gas and energy storage project and the wider energy storage project concept are progressing well and we are encouraged by the nature of the ongoing discussions with all relevant stakeholders as we seek to bring the Marram Project into production and then give life to the energy storage project concept that we believe will support all the key elements of UK energy policy."

The Directors of the Company are responsible for the release of this announcement.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 (which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018).

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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.

Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

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