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EnergyPathways plc

("EnergyPathways" or the "Company")

Company Update

New government's plan to retain the Decarbonisation Investment Allowance in the Energy Profits Levy an encouraging signal for future investment in UK energy transition projects

EnergyPathways (AIM: EPP), an integrated energy transition company delivering low emission energy solutions which offer energy security to the UK, is pleased to provide an update following the UK government's announcement last week on changes to the Energy Profits Levy ("EPL").

Last week's speech to the House of Commons by the Chancellor Rachel Reeves confirmed that the new UK government will follow through with its pledges to increase and extend the EPL as well as remove supportive investment allowances for new oil and gas fields.

This announcement also confirmed, however, that the EPL's Decarbonisation Investment Allowance will be retained.

The Company views this as a positive indication of the new Labour government's commitment to support investment in energy transition projects such as EnergyPathways' MESH (Marram Energy Storage Hub) project. The Decarbonisation Investment Allowance, set at 80%, incentivises decarbonisation development in the UK's energy sector, including electrification, powering production facilities with renewable energy, green hydrogen production and reducing greenhouse gas emissions ("GHGs") by eliminating or avoiding flaring and venting of GHGs.

EnergyPathways is developing its Marram Gas Field, located in the UK Irish Sea, as a major gas and hydrogen storage facility, to be known as MESH. The facility is being designed as a zero emission, fully electrified facility powered by existing renewable offshore wind. Once operational, MESH will produce the low emission natural gas contained within the Marram Gas Field to displace the UK's high emission LNG imports, which are estimated to have a carbon footprint intensity ten times greater than MESH supply. The gas supplied from MESH may be further decarbonised with green hydrogen production to harness the abundant renewable offshore wind power generation capacity of the UK Irish Sea region.

MESH will transition to full-scale gas storage operations with an estimated storage capacity of approximately 50 billion cubic feet of gas, equivalent to that of the Rough Field, which is currently the UK's largest gas storage asset. It is anticipated MESH will be able to offer high deliverability storage services to the UK market for approximately 25 years.

EnergyPathways plans to further expand MESH by incorporating other underground storage reservoirs of the region, associated infrastructure, and scaled-up hydrogen production; in order to meet the evolving needs of the UK energy market, by harnessing and storing the value of increasing wind curtailments, that would otherwise be lost wind energy, in order to support a growing hydrogen market.

With the UK having one of the lowest gas storage capacities in Europe, and becoming increasingly dependent on gas imports, MESH will provide the UK with much needed storage capacity to satisfy the UK's increasingly volatile intermittent energy demand requirements and help moderate and lower the impact of global commodity prices on UK household bills.

EnergyPathways' Directors believe that the MESH storage facility will be pivotal to enhancing the UK's energy security, efficiency, and transition to renewable energy source, being ideally located to harness the UK's excess wind energy and capable of supplying secure dispatchable energy, as intermittent energy supply and demand increase.

Ben Clube, CEO of EnergyPathways commented, "The new changes to the EPL are in line with our expectations and are aligned with our strategy that positions EnergyPathways to pursue energy storage opportunities such as the Marram Energy Storage Hub, or MESH, which will be critical to the UK meeting its energy security and net zero goals."

Q&A Recording

Ben Clube discusses EnergyPathways' growth strategy and how its unique business model supports the UK government's rhetoric regarding energy policy. The interview can be accessed via the below link and is available on the Company's website:

https://energypathways.uk/multimedia

Enquiries:

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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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