RNS Number : 8479E
EnergyPathways PLC
19 September 2024

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EnergyPathways plc

("EnergyPathways" or the "Company")

MESH Update

EnergyPathways plc (AIM: EPP), a company developing integrated energy solutions, is pleased to provide the following update regarding its plans to develop its MESH infrastructure project, a large-scale natural gas and green hydrogen storage facility.

Highlights:

- Accelerating energy transition strategy with upscaled MESH energy storage project to be a larger value energy infrastructure project
- MESH project has potential to generate significant cash flows and high yield returns with estimated ROR of ~20+% over the project's 20-year life
- Progressing discussions with contractors and wider project stakeholders including a global wind power developer and an integrated oil and gas company
- MESH project directly aligns with the UK government's ambitions and energy policy to deliver both Energy Security and Net Zero
- Updated MESH project schedule aligns to regulatory backdrop with FID now expected late 2025 and first energy supply anticipated in 2027
- New investor presentation available on website

The MESH gas storage facility, located off the UK'sLancashire coast, will be initially equivalent in size to the Rough facility, currently the UK's largest gas storage facility. EnergyPathways has further identified growth upside to expand MESH natural gas and green hydrogen storage capacity by as much as three times.

EnergyPathways' upscaled MESH development will be a decarbonised, fully electrified storage facility that can supply natural gas and green hydrogen to the UK market, at scale. EnergyPathways believes it has the potential to generate significant cash flows and high yield returns with a ROR of ~20+% over the project's 20 year life.

EnergyPathways anticipates that energy storage infrastructure will become a major multi-billion pound growth sector to emerge from the UK energy transition landscape as the UK progresses towards increasing wind capacity threefold between now and 2030. EnergyPathways' strategy seeks to integrate energy systems to develop energy infrastructure solutions in a manner that can provide a secure, dependable and decarbonised supply of natural gas and green hydrogen for the UK market.

EnergyPathways is progressing discussions with a global leading Tier-One engineering consultancy for the pre-FEED, FEED and EPIC contractor for the MESH project development. Discussions are also progressing with one of the world's largest developers of wind power which

is expected to provide the MESH project with power under a long-term supply arrangement for the storage facilities and the production of green hydrogen. EnergyPathways is also engaged in discussions with one of the world's largest integrated oil and gas companies for the provision of long term gas storage capacity and long term gas and hydrogen supply as well as the provision of project development financing.

The Company is developing the MESH project so that it is wholly in line with the UK government's energy policy and ambitions, to deliver both Energy Security and Net Zero. The Board hopes that this will engender demonstrable support for the project from both the government and the NSTA.

EnergyPathways has considered the likely impact of the government's recently announced plans for new environmental guidance. This guidance comes as a result of the Supreme Court's "Finch Ruling" that requires regulators to consider the impact of scope 3 emissions in the Environmental Impact Assessment of new projects. The government has advised that this new guidance will be available in the spring of 2025.

With MESH positioned to have a favourable impact on global scope 3 emissions, EnergyPathways does not consider any new guidelines will be of concern to the project's progression. The Company has discussed the subject with the NSTA and aligned its project schedule with the timing of these new regulatory guidelines.

Based on the upscaled and expanded scope of the MESH gas and hydrogen storage project, including its plans to integrate energy systems as part of the development and to develop a fully decarbonised facility that aligns with new regulations, EnergyPathways currently expects that FID for the MESH project will be late 2025, with first energy supply commencing late 2027.

New Investor Presentation

EnergyPathways will be presenting at the Proactive ONE2ONE investor forum this evening and will upload to its website a new corporate presentation that will provide a detailed summary of MESH and the enhanced value proposition.

Commenting on the update, Ben Clube, CEO of EnergyPathways, commented:

"When EnergyPathways completed its admission to AIM in December last year, our plan was to initially deliver a new fast track supply of low carbon gas in support of UK energy security, before leveraging this position to transition into integrated energy storage and hydrogen solutions.

"Since that time, we have witnessed further changes in government policy that has increased the emphasis on investment in decarbonised energy solutions and has placed greater scrutiny and reduced incentives in traditional UK oil and gas investment.

"In response, EnergyPathways has accelerated its energy transition strategy to design integrated energy solutions and has now developed its MESH energy storage project to be a significantly upscaled and materially higher value energy infrastructure project which can offer shareholders long-term high returns over MESH's 20+ year projected project life.

"MESH is exactly the type of energy solution that the UK will require as it expands its wind capacity threefold by 2030 and becomes increasingly reliant on imports to meet its energy needs. Energy storage will be vital to harness the UK's excess wind energy and to ensure it has a dependable and flexible supply of natural gas - the UK's major source of energy - and EnergyPathways is establishing an early mover advantage to secure an important role in this fast-growth and high-value market.

"We continue to progress our engagement with all the relevant authorities and stakeholders in the MESH project and feel confident that we are presenting a compelling vision that will deliver long-term shareholder returns."

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.

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