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**EnergyPathways plc
("EnergyPathways" or the "Company")**

Gas Storage Licence award, launch of Licence work programme

Ofgem announces plans for LDES cap and floor second round

Launch of Licence work programme

EnergyPathways (AIM: EPP), the UK energy transition company, is pleased to announce that, following the award of a Gas Storage Licence ("Licence") for its MESH project ("MESH" or the "MESH Project"), the Licence work programme has been launched, and a site survey is planned for Q3 2026.

Formal acceptance of the North Sea Transition Authority's ("NSTA") Licence offer marks a significant milestone in advancing the MESH Project. The Company has commenced the Licence work programme and is planning an extensive survey in the East Irish Sea that will provide data to develop both the environmental, geological and seabed aspects of MESH. The survey results will underpin regulatory, engineering and subsurface workstreams as the Company progresses towards the next phase of development.

The Licence spans a substantial offshore area that could support the construction of up to 60 large-scale salt storage caverns, with the potential for multi terawatt-hour scale integrated energy storage, subject to the necessary consents and financing.

The planned MESH Project has been designated by the UK Government as a project of "national significance". It will comprise compressed air energy storage ("CAES"), natural gas storage transitioning to hydrogen storage and complementary hydrogen production for clean power and sustainable hydrogen industry uses.

Ofgem announces plans for Long Duration Energy Storage ("LDES") cap and floor second round

On 26 June 2026, Ofgem published its 'Minded to Decision' list of LDES projects under the first window of its cap and floor scheme. The announcement outlined Ofgem's intention to proceed with the LDES cap and floor second window, thereby confirming the Government's support for LDES investment infrastructure. Further direction will be provided by Ofgem by the end of 2026.

EnergyPathways welcomes the announcement by Ofgem, marking a significant milestone in the development of the UK's LDES market. With the Licence awarded, the Company is gearing up to enter its LDES CAES project into Ofgem's second window of the cap and floor scheme.

As the UK continues to increase its reliance on renewable electricity generation, LDES will play an increasingly important role in improving grid resilience, reducing renewable energy curtailment, and

lowering overall system costs, which can lead to lower electricity prices. .

Ben Clube, CEO of EnergyPathways, said:

"Ofgem's announcement marks another important milestone for the MESH project. It confirms the central role of LDES to the UK's future energy system. Establishing a robust investment framework is essential if the UK is to unlock the LDES infrastructure needed to support an electricity system capable of delivering affordable and reliable power."

"Ofgem's inclusion of CAES, albeit at small scale, in round one of the LDES technologies selected is notable in that it underlines the contribution that CAES technology can make alongside other LDES technologies in delivering a new flexible power supply."

"EnergyPathways continues to advance the LDES element of the MESH Project which will be the UK's largest LDES facility. Given its ability to supply multi-day duration power - as opposed to batteries which run out after a couple of hours - the Directors believe it is uniquely positioned to make a significant contribution to reducing the UK's heavy reliance on expensive gas power generation and lowering electricity prices."

MESH Project

The MESH Project is expected to be the UK's largest integrated energy storage project and is designed to strengthen the country's energy security while helping reduce long-term consumer energy costs. Designated a project of "national significance" by the UK Government, MESH combines CAES with natural gas and hydrogen storage within a single integrated development.

Located in the East Irish Sea and connected to Barrow-in-Furness, the project will utilise large-scale subsea salt cavern storage, with the licence area capable of supporting up to 60 storage caverns. Subject to regulatory approvals and financing, MESH is targeted to enter operation in 2031.

By capturing surplus renewable electricity that would otherwise be curtailed, MESH is expected to provide multi-day dispatchable power at lower cost and with lower emissions than conventional gas-fired generation. MESH also has the potential to more than double the UK's gas storage capacity, strengthening energy security while helping reduce reliance on imported gas and supporting a more resilient, lower-cost energy system.

Investor Engagement with EnergyPathways

Engage with us by asking questions, watching video summaries and seeing what other shareholders have to say. Navigate to our Interactive Investor website here: <https://energypathways.uk/>

Enquiries

Investor questions on this announcement We encourage all investors to share questions on this announcement via our investor hub	https://energypathways.uk/link/PdLwLP
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