IGas Energy

FY Results to 31 December 2022

30 March 2023

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Overview

Restructure/refocus

- Streamlined ExCo
- Improved strategic planning and more efficient decision making
- Focus on profitability of fields

Increased production

- Q4 production drive
- December production averaged 2,221 boepd (net to IGas)
- 2023 expected c.2,000 boepd

Investing in growth

- Invest in projects with short pay-back period
- Develop near term incremental production
- Grow geothermal

Energy transition

- Rebrand company for the future
- Renewable focus is on geothermal
- Energy security and decarbonisation

Financial highlights

2022

- Strong operating cashflow of £27.4m before working capital and realised hedges (2021: £13.9m). Realised loss on hedges of £8m
- Revenue £59.2m (2021: £37.9m)
    - realised price pre-hedge price of $98.6/bbl (2021: $68.5/bbl).
    - post hedge $82.7/bbl (2021:$54.3/bbl)
- Operating costs of $41.5/boe (£33.4)/boe (2021: $37.4 (£27.1)/boe)
- Net G&A of £6.3m (2021: £5.8m)
- Capex of £7.9m
    - converting a well to a water injector, near-term incremental projects, maintenance & regulatory costs, progressing conventional exploration opportunities
- Underlying operating profit of £16.1m but impairment of exploration and evaluation assets of £30.0m – write off remaining shale assets
- Net debt reduced to £6.1m (2021 £12.2m).
    - Significant headroom under the RBL
- Ring fence tax losses of £260m (2021: £268m))
- No EPL payable for 2022 due to capital expenditure and available allowances

Financial Outlook

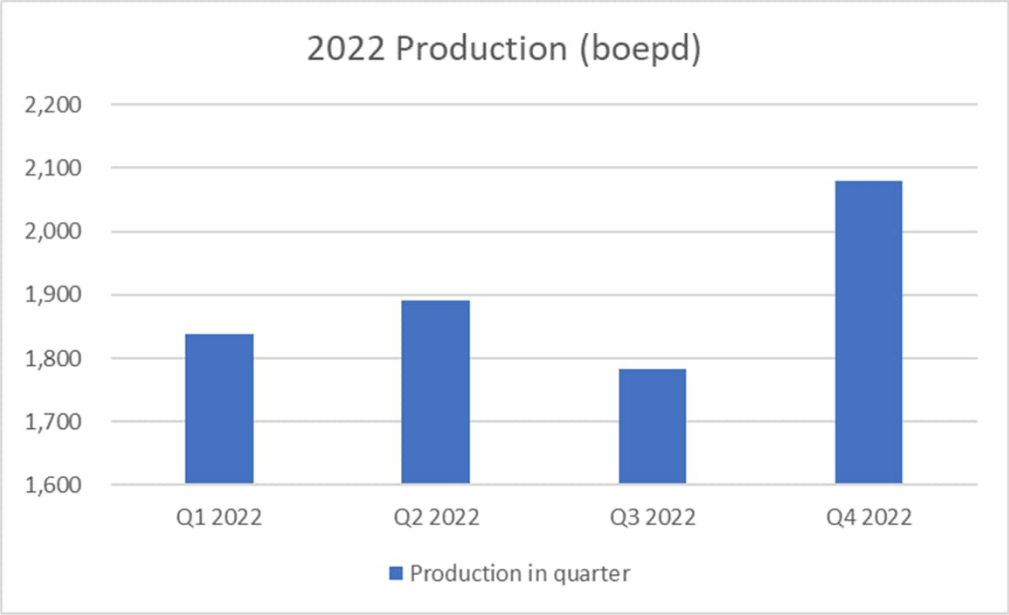
2023

- Production c.2,000 boe/d
- Capex of c.£15.3m, subject to financing
  - Corringham £4.7m
  - Bletchingley £4.0m
  - Glentworth & Singleton £1.0m
  - Hopper/Avington c.£1.2m
  - Balance of £4.4m maintenance and optimisation activities
- Abex of c.£6.5m
  - Egmanton field, Ince Marshes, Irlam & Springs Road

Operations

Conventional Production

- Net production averaged 1,898 boepd in 2022 (2021: 1,962 boepd) impacted by equipment failure in H1
- Production drive in Q4 mitigated poor performance in previous 3 quarters
  - Focus on eliminating the backlog of shut-in wells
  - Better optimisation of wells
  - December production averaged 2,221 boepd
- 2023 FY guidance c.2,000 boepd
  - Focus on driving profitability
- Abandonment
  - Ramp up abandonment activity in 2023 to start to decommission old and uneconomic fields
  - Dedicated abandonment team to service IGas and the wider industry



Development opportunities

Oil and power

- Opportunities for near-term additional production which is expected to generate c.150-170 boepd
  - Corringham infill project (capex in 2023 £4.7 million)
    - Potential: additional c.110 bbls/d and 0.35 mmstb 2P reserves at the end of 2023
    - Status: planning conditions discharged, environmental permit issued in March 2023. Execution should add production at the end of 2023
  - Production optimisation
- Medium term opportunities
  - Bletchingley gas to wire project (capex in 2023 of £4 million)
    - Potential: additional c.200boepd (6MW power generation) from a shut-in gas well
    - Status: planning consent in place, grid connection secured, permits expected in Q2 2023. First power export expected late 2024/early 2025
  - Glentworth two-phased project to extend an existing field (capex in 2023 £0.5 million)
    - Potential: to add c.200 bbls/d and development of c.1.0 mmstb 2P reserves. Phase 2 potential to add an additional 500bbls/d and the addition of c.2mmstb 2P reserves from 2C
    - Status: planning application submitted, planning committee meeting awaited

Corringham

Decision Gate 4

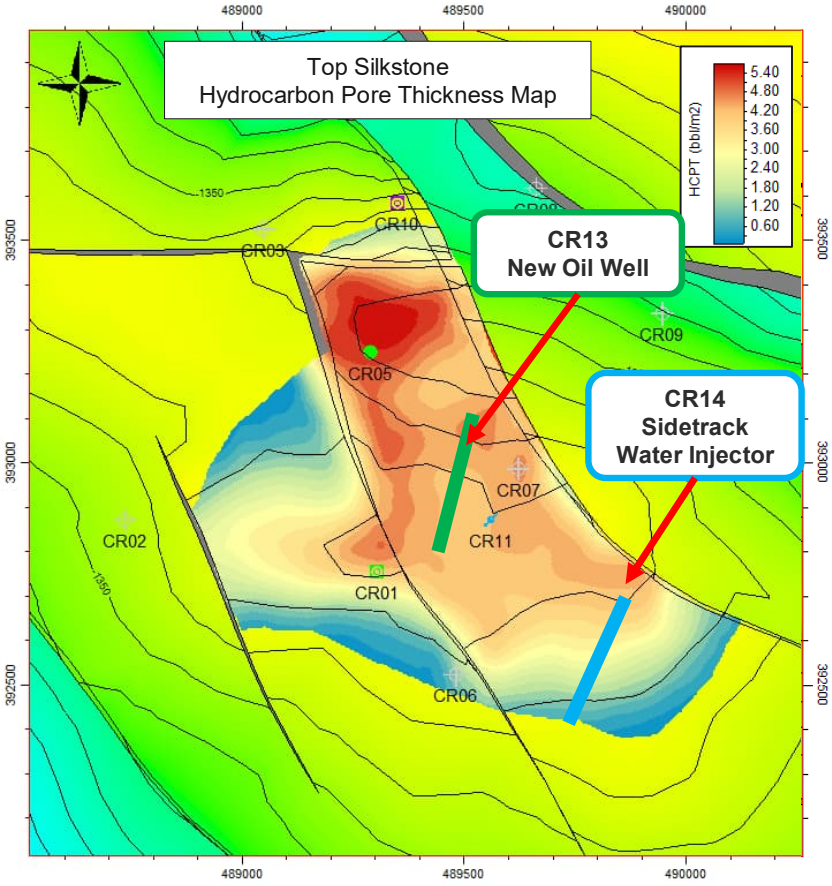
Description

- The project involves drilling a new, low risk production well (CR13) into the Silkstone reservoir to produce undeveloped oil down dip of existing CR05 production well, the only producer in the reservoir producing c. 20bopd with a water cut <2%
- Subject to the success of Phase 1, a water injection well (CR14) could be sidetracked from CR11 at a later date to improve oil recovery through waterflood and pressure support

Production Reserves Impact

- Base case peak oil production of **c.110 bopd** from CR-13
- Opportunity to develop **c.350 Mstb** of currently 2P undeveloped
- Potential to de-risk future water injection sidetrack currently estimated to deliver an incremental **935 Mstb** of current 2C resources
- Drilling a single production well is considered a low-risk development **GCoS:81%**

Corringham CR13 Silkstone Producer	
$75/bbl, 2% inflation	Mid Case
CAPEX, £m	£4.9m
Peak Production rate, BOPD	110
NPV, £m	£3.9m
IRR, %	28%
Payback period, yrs	3.75



Bletchingley

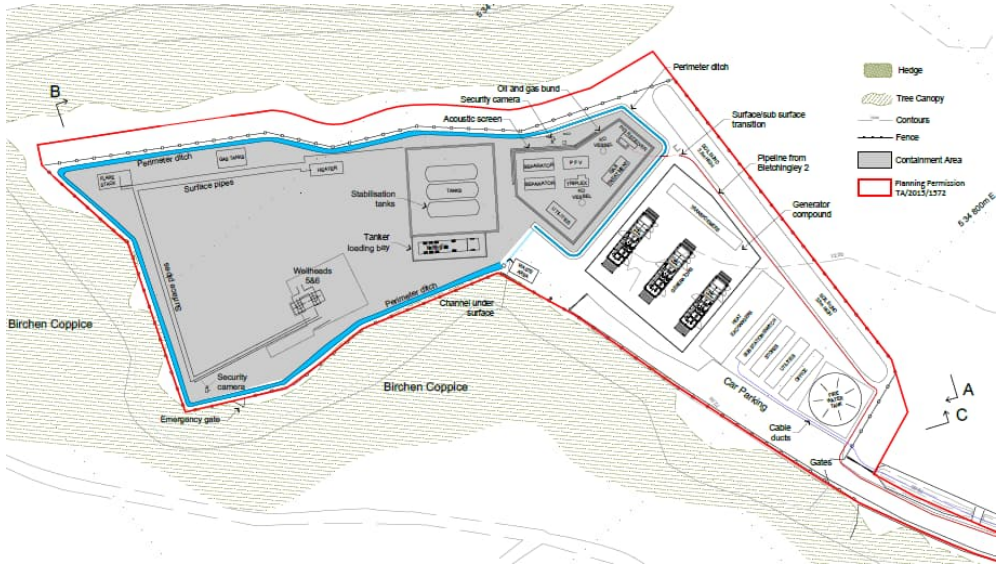
Oil Plant Upgrade and Gas to Wire

Description

- To upgrade the existing Bletchingley Central site
- To workover, and bring into production, the BL2 well, lay a pipeline between BL2 and Bletchingley Central and install 6MW of power generation capacity on Bletchingley Central

Economics and Reserves Impact

- Oil plant upgrade will reduce OPEX, make site easier to operate



- Strong Gas to Wire project economics
- Brings on c.200 boepd of production
- Gas to wire project will
  - allow the removal of diesel generators, will
  - eliminate flaring

Bletchingley GtW (BL2)	
Cornwall Insights, Feb23	Mid Case
CAPEX, £m	£10.5m
Peak Production rate, boepd	c.200
NPV, £m	£37.8m
IRR, %	85%
Payback period, yrs	1

Glentworth

Decision Gate 2 progressing through design.

Description

Undeveloped oil within the Mexborough Rock Reservoir, west and up-dip of the existing Glentworth production wells. Forecasts generated from the history matched dynamic model suggests drilling a horizontal production well will increase recovery

Production Reserves Impact

Phase 1 - GL12/12z

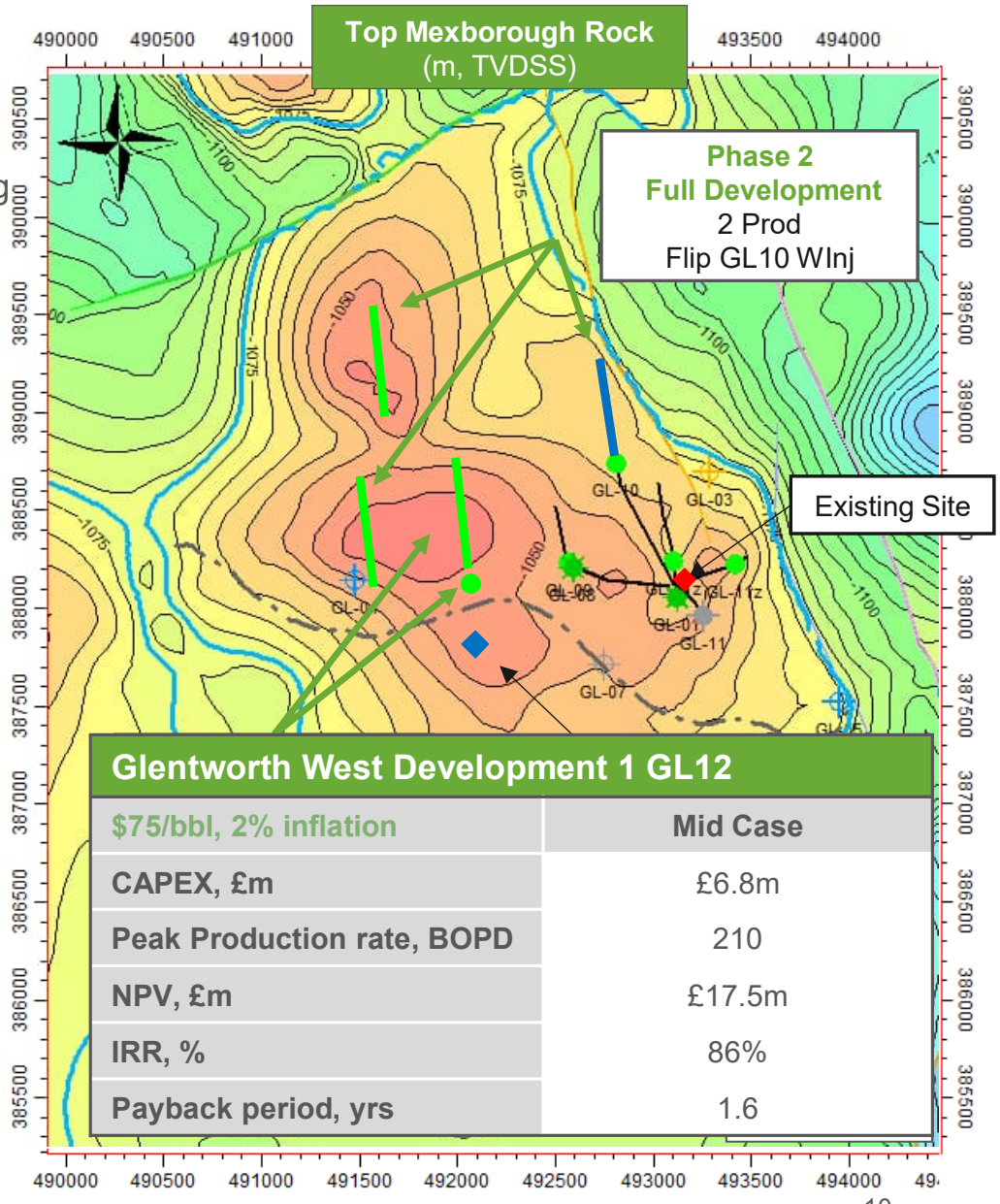
- Increase field oil production with base case incremental peak oil production of c.200 bopd
- Develop 1.0MMstb 2P undeveloped reserves
- Potential to de-risk further production wells and water injection from new site.

Phase 2 (Contingent on Phase 1)- Two New Producers & convert GL10 for Water Injection

- Potential to increase oil production by a further c. 550 bopd
- Convert 2.2MMstb 2C to 2P developed reserves
- Installation of separation and injection facilities will reduce OPEX

Key Project Risks and Uncertainties

- Planning application is refused.
- GCoS 63%, Reservoir is deep to prognosis and/or poorly developed



Glentworth West Development 1 GL12	
$75/bbl, 2% inflation	Mid Case
CAPEX, £m	£6.8m
Peak Production rate, BOPD	210
NPV, £m	£17.5m
IRR, %	86%
Payback period, yrs	1.6

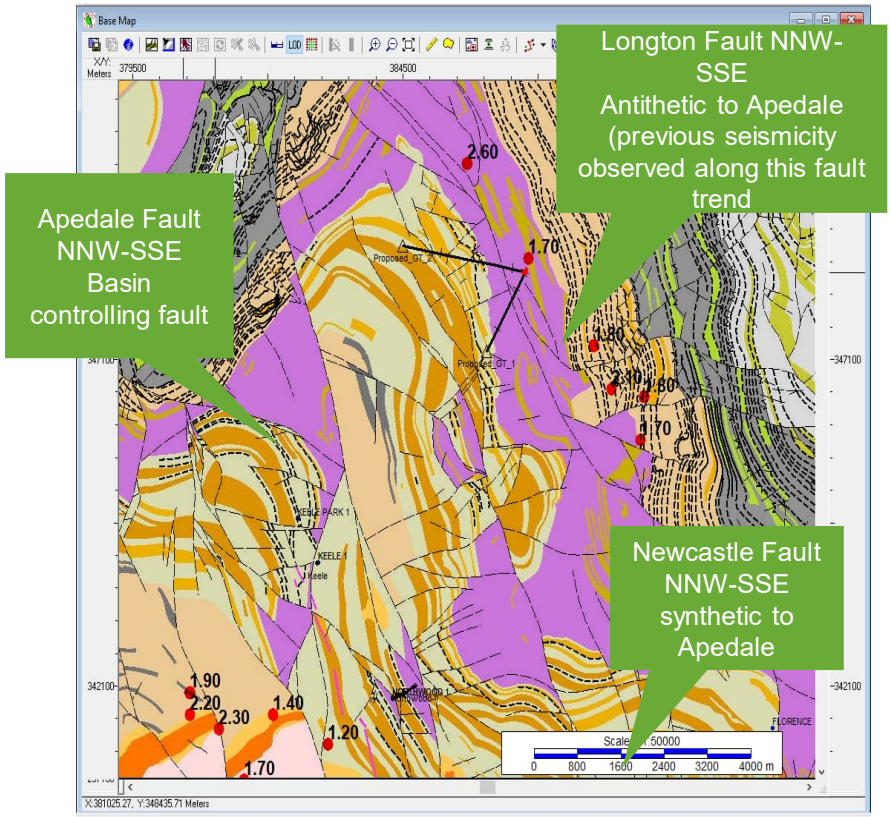
Stoke on Trent

Heat from Deep Geothermal

Description

- Construction of a deep geothermal facility supplying at least 66GWh of heat to the city of Stoke consisting of;
  - Well doublet targeting Carboniferous limestone at depths c. 3200m and temperatures of >110°C
  - On-site energy centre with heat exchanger connection to city-wide DHN (District Heat Network)
- Green Heat Network Funding from DESNEZ
  - In partnership with SSE
  - £17.6m (~50% of project CAPEX)
  - Remainder of funding through project finance
- First of a kind project for UK; replicating 100s of existing projects in Europe

Stoke-on-Trent Geothermal	
Draft Terms (per GHNF appl)	Mid Case
CAPEX, £m	£33.6m
Annual Heat Sales, GWh/yr	80
NPV, £m	£21.5m
IRR, %	21%
Payback period, yrs	7.8



Geothermal

Project Pipeline

- Strong and maturing pipeline of opportunities
- In active discussion with customers for 35 projects and growing
- Strong public sector play with focus on large single off-takers
- Customers recognising skill set derived from oil and gas experience
- Targeting project IRRs of 15-25%

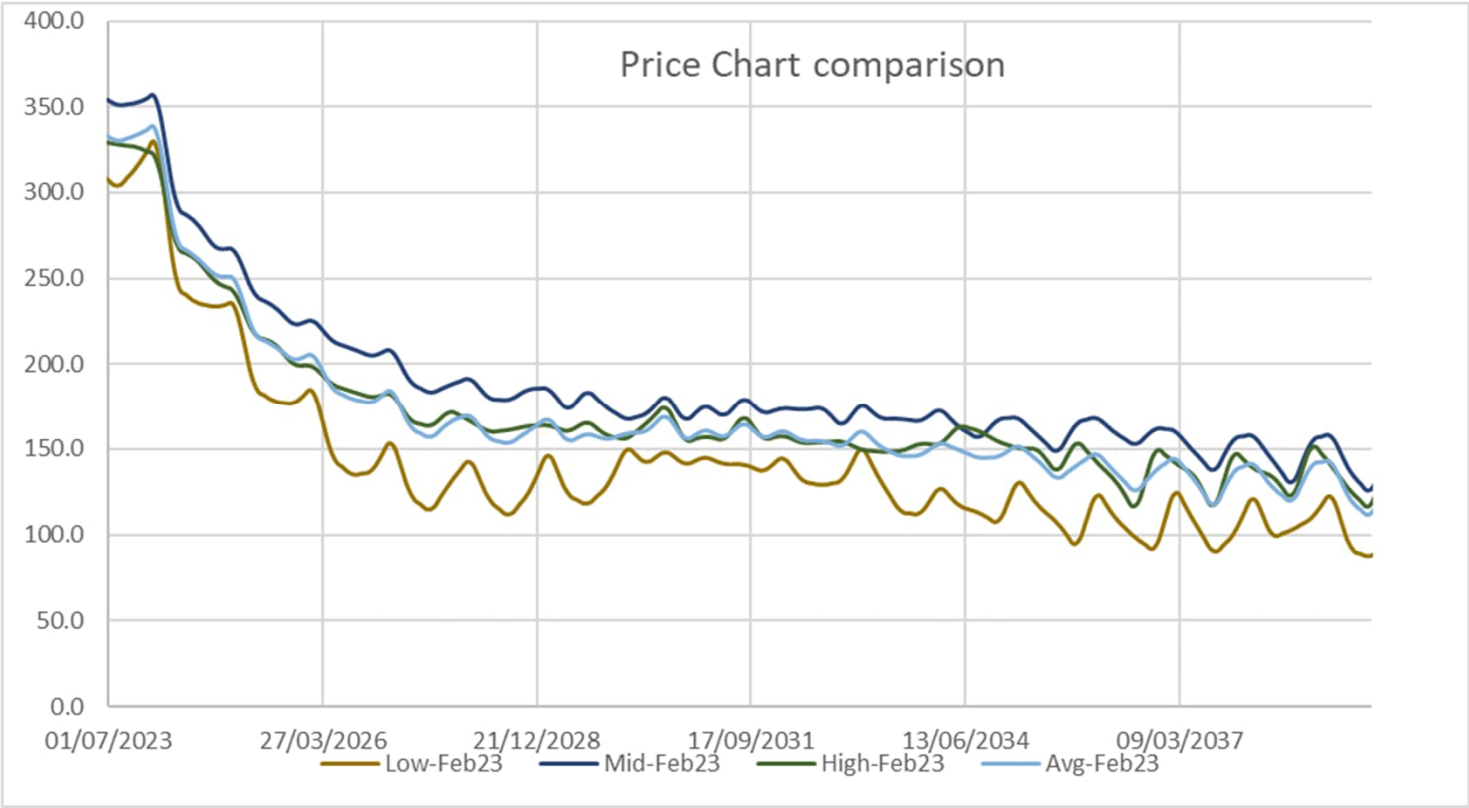
Summary and Outlook

- Business transitioning to renewable opportunities underpinned by oil asset cash flows
- Production remains strong with focus on accelerating near term opportunities with short pay-back
- Focus on profitability and high-grading of portfolio
- Strong geothermal pipeline – opportunity set broadening
- GHNF grant award nearing decision point
- NHS Trust tenders preferred partner status expected Q2

Appendix

Power price curves

Cornwall Insights as at Feb'23



ESG

Sustainable and Responsible Business

- Support United Nations' Sustainable Development Goals and UN Global Compact signatory
- ISO 14001 and 9001 accredited: Environmental Management System and Quality Management System
- Scope 1 & 2 reporting – focus on reducing Scope 2

Environmental stewardship

- Careful site selection screens out protected areas
- Environmental Impact Assessments
- Baseline monitoring before during and after operations – soil, air and water
- Social licence to operate is key to business success
    - Local engagement with all stakeholders: Community Liaison Groups, newsletters, public consultation
    - IGas Community Fund launched in 2008 over £1m distributed to communities local to our operations

HSE

- Continuous monitoring (Oshens/ External HSE audits)
- IGas has attained the RoSPA President's (15 consecutive Golds) Award, for health and safety performance
- IGas Energy trading as "Star Energy Weald Basin Ltd" is listed on the public register for COMAH establishments

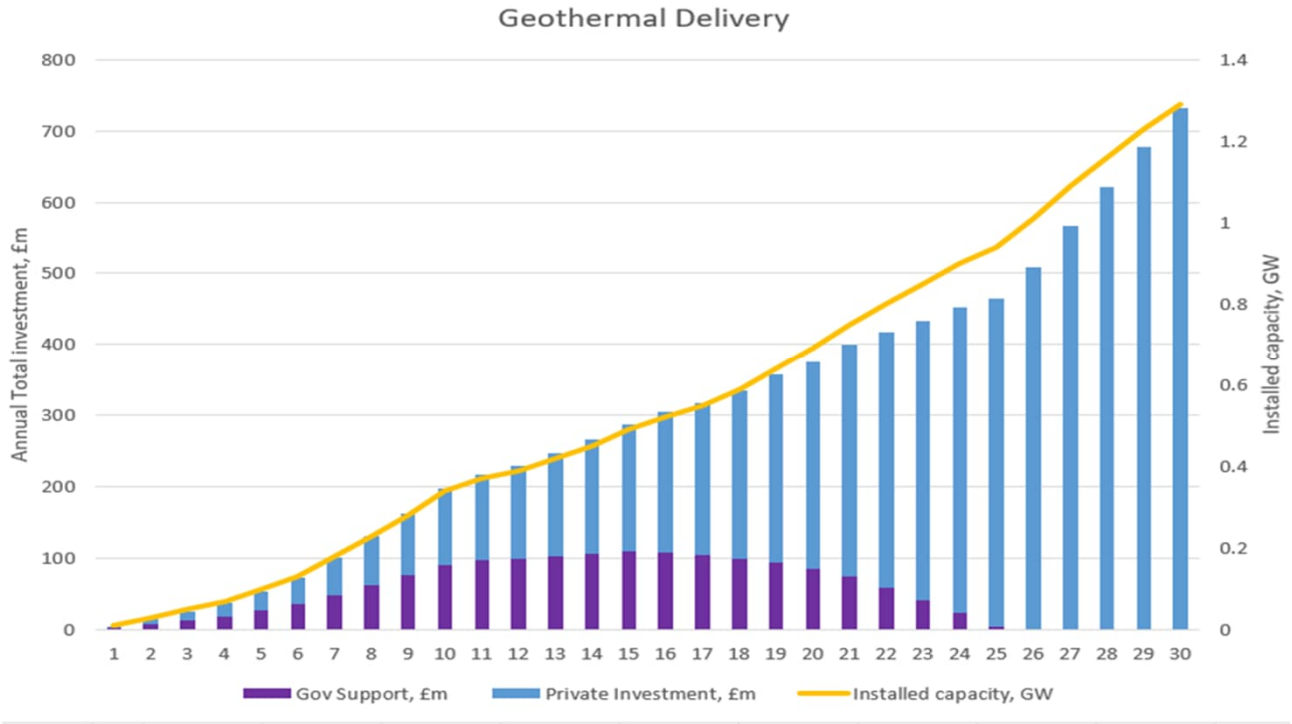
Governance

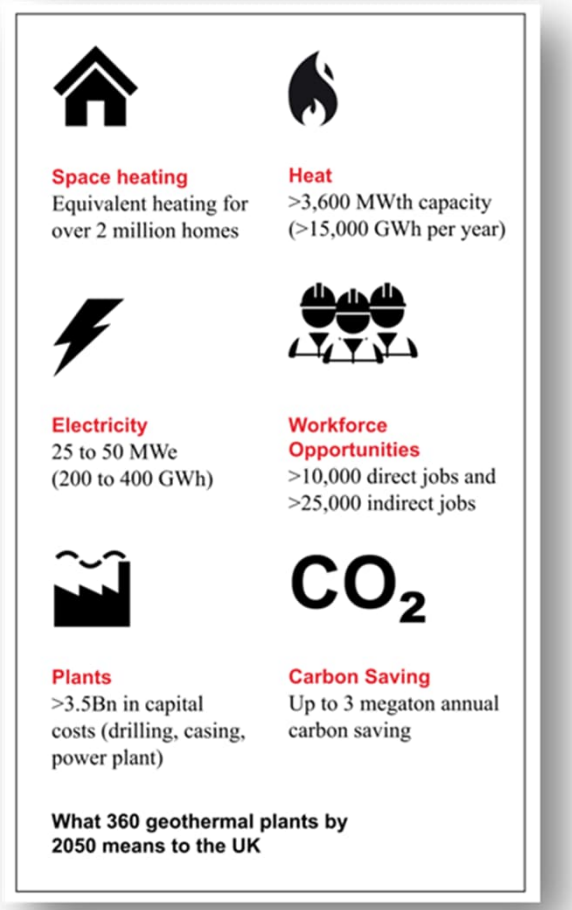
- Adopted Quoted Companies Alliance Corporate Governance Code, 2018 edition (the "QCA Code")
- Board composition: 40% female
- Key policies in place: Bribery and Anti-corruption; Equality & Diversity

Decarbonising large-scale heat in the UK

Size of the Prize

- Currently no other low carbon technology that can decarbonise heat on a large scale in urban areas
- Removes requirement for expensive building retrofits
- Domestic solution provides security of supply
- Material solution for renewable heat in the UK c.360 projects by 2050
- **500MW** capacity within 10 years. Immediate growth with **shovel ready projects**





Key outputs from ARUP Report:

Why Geothermal?

Ideal solution for deployment of renewable heat in urban areas

Geothermal has **cross community support** ranging from environmentalist to industrialists

PROVEN TECHNOLOGY

- Systems in operation since 1892
- Resource life of 100+ years
- Hundreds of plants in operation across Europe
- Indigenous resource
- Supply chains and skillsets in available in UK

ADVANTAGES

- Zero emissions
- Low visual impact
- Welcomed by planning departments
- No feedstock price or supply issues
- 24 / 7 availability
- Price stability
- High temperature
- No need for costly refit to buildings

USES FOR GEOTHERMAL HEAT

- Heating
- Cooling
- Electricity