

26 July 2021

Longboat Energy plc
(“Longboat Energy”, “Longboat” or the “Company”)

Operational Update

Longboat Energy, the emerging full-cycle North Sea E&P company with a portfolio of significant, near-term, low-risk exploration assets, is pleased to provide an operational update.

Egyptian Vulture Exploration Well

Longboat has been informed by the operator, Equinor ASA, that the Egyptian Vulture prospect (Longboat working interest: 15%) is on-track to spud in late August 2021 using the West Hercules semi-submersible drilling rig.

The well is targeting gross mean prospective resources of 103mmboe¹ with further potential upside to bring the total to 208mmboe¹. The Geological Chance of Success associated with this prospect is 25%¹ with the key risk being related to reservoir quality/thickness.

The well is expected to take up to 4 weeks to drill with a pre-carry net cost to Longboat of c.\$5 million (c.\$1m post tax). Upon success, there is the potential to provide low-CO₂ blending gas to the nearby Equinor operated infrastructure (Åsgard) allowing for the possibility of rapid monetisation.

Egyptian Vulture is an Upper Cretaceous turbidite play bounded within a regional graben located in the prolific Halten-Dønna Terrace. The prospect has been significantly de-risked by a strong AVO anomaly analogous to the large Hades discovery made by Faroe Petroleum in 2018 along with several other nearby Cretaceous discoveries also made by the Longboat management team (Solberg, Rodriguez, T-Rex).

Extensive Exploration Programme

Egyptian Vulture marks the first of an anticipated seven well exploration programme which will be drilled by Longboat over the next 18 months on the Norwegian Continental Shelf (“NCS”) targeting net mean prospective resource potential of 104MMboe¹ with additional 220 MMboe¹ of upside and follow-on prospectivity.

The drilling programme has the potential to create a Net Asset Value of over \$1 billion based on precedent transactions on the NCS for development assets.

The next well in the programme is scheduled to commence in mid-September and will target the Rodhette prospect (Company 20%) using the deep water Scarabeo 8 semi-submersible drilling rig. This is a proven Jurassic Play in the Hammerfest Basin with a potential 30km tie-back distance to the Goliath Field for early potential monetisation.

The full list of the licenses, working interests and resource estimates are set out in the background notes below.

Completion Process and Qualification

Longboat is pleased to report that the process for seeking qualification as a licence holder of oil and gas assets on the NCS is progressing well with the required interviews completed with the NPD and PSA. Once approved, this would see Longboat become only one of 38 companies licenced to hold oil and gas assets on the NCS versus over 130 companies licenced in the UK.

The Company currently expects to complete the acquisitions before 30 September 2021 but notes that this remains subject to Norwegian government approvals. The process does not impact the timing of or Longboat's participation in the Egyptian Vulture and Rodhette exploration wells.

New Business Opportunities

The announcement of the initial farm-ins and successful equity raise has significantly increased the industry's interest and confidence in partnering with Longboat. The Company intends to capitalise on this momentum to continue to pursue value accretive acquisitions in line with its strategy to build a full-cycle E&P company focused on the North Sea.

The Company will release further announcements as and when appropriate. More details on Egyptian Vulture and Longboat's seven well exploration drilling programme can be found on the Company's newly updated website: www.longboatenergy.com.

Helge Hammer, Chief Executive of Longboat, commented:

"We are excited at the prospect of drilling our first exploration well and can now look forward to a busy period of almost continuous drilling and frequent value catalysts during the next 18 months with a combined upside value potential in excess of \$1 billion."

"Exploration activity in Norway is picking up and during the first six months of 2021, a total of 17 exploration wells have been completed, resulting in eight discoveries. On Egyptian Vulture we are partnering with one of the most successful explorers on the NCS and a successful well could add more than 15 million boe of net contingent resources with significant monetisation opportunities."

"Our plan remains to build Longboat in to a full-cycle, North Sea E&P company. We believe the momentum built by the initial acquisitions will enable us to take advantage of the increasing number of opportunities we are seeing in the market."

The information contained within this announcement is not considered to be inside information prior to its release.

Notes:

1 ERC Equipoise estimates, using a conversion factor of 5,600 scf/stb

Ends

Enquiries:

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Background

Longboat Energy was established by the ex-Faroe Petroleum plc (“Faroe”) management team to create a full-cycle North Sea E&P company through value accretive M&A and low-risk, near-field exploration. The management team has a proven track record of delivering value to shareholders through exploration success, accretive acquisitions and farm-ins, and a demonstrated ability to monetise discoveries through sales and asset swaps. At Faroe, the team grew reserves from 19 MMboe to 98 MMboe between 2013 and 2018, a compounded annual growth rate of approximately 39%. The team monetised numerous assets through development and active portfolio management, including asset swaps and sell downs. Faroe Petroleum was sold to DNO ASA in January 2019, providing a Total Shareholder Return of 129% to investors from the previous equity fundraise.

The Company has created a hand-picked portfolio and material drilling programme, including seven attractive exploration wells over the next 18 months and further appraisal drilling likely on success.

The full list of the licences, working interests and resource estimates are detailed below:

<i>Licence</i>	<i>Prospect</i>	<i>Longboat Working Interest</i>	<i>Gross Attributable Prospective Resources (MMboe)¹</i>	<i>Geological Chance of Success²</i>	<i>Pre-tax Well Cost Gross/Net (\$million)³</i>	<i>Expected Drilling Date³</i>
Equinor						
PL939	Egyptian Vulture	15%	103	25%	\$31/5	Aug-21
PL901	Rødhetten	20%	41	41%	\$35/7	Sep-21
PL1060	Ginny	9%	41	27%	\$25/2	Q3-21
PL1060	Hermine	9%	27	22%	<i>incl above</i>	Q3-21
PL906	Mugnetind	20%	24	51%	\$33/7	Q4-21
PL1049 ⁴	Cambozola	5%	159	15%	\$64/16	Q2-22
PL1017	Copernicus	10%	254	26%	\$38/4	Q2/3-22
Spirit						
PL1049 ⁴	Cambozola	20%	159	15%	\$64/16	Q2-22
Idemitsu						
PL293B	Kveikje	10%	36	55%	\$31/3	Q4-21

Source: ERC Equipose Competent Persons Report. The geological chance of success (GCOS) is an estimate of the probability that drilling the prospect would result in a discovery as defined under SPE PRMS. In the case of Prospective Resources, there is no certainty that hydrocarbons will be discovered, nor if discovered will it be commercially viable to produce any portion of the resources.

Notes:

1 ERC Equipose estimates, using a conversion factor of 5,600 scf/stb

2 ERC Equipose estimates

3 Longboat management/operator estimates

4 Transaction also includes the extension licence PL1049B

Review by Qualified Person

The technical information in this release has been reviewed by Helge Hammer, Chief Executive Officer, who is a qualified person for the purposes of the AIM Guidance Note for Mining, Oil and Gas Companies. Mr Hammer is a petroleum engineer with more than 30 years' experience in the oil and gas industry. He holds a degree in Petroleum Engineering from NTH University in Trondheim and an MSc in Economics from the Institut Français du Pétrole in Paris.

Glossary

"CO ₂ "	carbon dioxide
"MMboe"	Million barrels of oil equivalent
"NCS"	Norwegian Continental Shelf
"NPD"	Norwegian Petroleum Directorate
"P10"	the quantity for which there is a 10% probability that the quantities actually recovered will equal or exceed the estimate
"Prospective Resources"	those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations
"PSA"	Petroleum Safety Authority