

16 August 2021

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

Farm-in completion 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 announce that Norway’s Ministry of Petroleum and Energy has approved the Company’s acquisition of various exploration licence interests announced on 1 June 2021 (the “Farm-Ins”).

The Company is thereby qualified as a licence holder on the Norwegian Continental Shelf (“NCS”) and subject to the finalisation of the usual completion procedures with the various counterparties, expects to complete the Farm-Ins on 1 September 2021.

The drilling of the Egyptian Vulture prospect, scheduled to commence later this month, will be the first of an anticipated seven well exploration programme which will be drilled by Longboat over the next 18 months on the NCS.

The drilling programme will be targeting net mean prospective resource potential of 104MMboe¹ with additional 220 MMboe¹ of upside and follow-on prospectivity. The programme has the potential to create a Net Asset Value of over \$1 billion based on precedent transactions on the NCS for development assets.

More details on Egyptian Vulture and Longboat’s seven well exploration drilling programme can be found on the Company’s website: www.longboatenergy.com.

The Farm-Ins constitute a reverse takeover transaction pursuant to the AIM Rules and as such the Ordinary Shares of Longboat will be cancelled from trading on the AIM market of the London Stock Exchange (“AIM”) on completion of the Farm-Ins. Re-admission is expected to occur shortly thereafter. An application for readmission of the Company’s entire ordinary share capital to AIM will be made shortly. On Completion of the reverse takeover, the Company will cease to be an investing company for the purposes of the AIM Rules and will become an operating company instead.

Helge Hammer, Chief Executive of Longboat, commented:

“We are pleased to announce this milestone for Longboat which sees us join a select group of companies holding oil and gas assets on the Norwegian continental shelf and will enable us to complete the Farm-In transactions as planned.”

“We are looking forward to spudding the first well in our multi-well programme later this month and will be updating shareholders on its progress in due course.”

Ends

Enquiries:

Longboat Energy

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Notes:

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

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

2 ERC Equipoise 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.

Standard

Estimates of reserves and resources have been prepared in accordance with the June 2018 Petroleum Resources Management System ("PRMS") as the standard for classification and reporting with an effective date of 31 December 2020.

Glossary

"GCOS"	geological chance of success
"MMboe"	Million barrels of oil equivalent
"NCS"	Norwegian Continental Shelf
"Prospective Resources"	those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations
"scf"	standard cubic feet
"stb"	stock tank barrels

For the purposes of UK MAR, the person responsible for arranging for the release of this announcement on behalf of Longboat is Julian Riddick, Company Secretary.

The information contained within this announcement is considered to be inside information prior to its release, as defined in Article 7 of the Market Abuse Regulation No. 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR").