

9 May 2022

Longboat Energy plc

("Longboat Energy", "Longboat" or the "Company")

Farm-in to two exploration wells

Longboat Energy, the emerging full-cycle North Sea E&P company, is pleased to announce that it has farmed-in to two additional near-term, gas weighted exploration prospects on the Norwegian Continental Shelf ("**NCS**") targeting combined gross unrisksed mean resources of 223¹ mmboe (45¹ mmboe net to Longboat) through an agreement with OMV (Norge) AS ("**OMV**").

Summary

- Acquiring 20% working interests in Oswig (PL1100, PL1100B) and Velocette (PL1016);
- Oswig and Velocette are material, gas prospects close to infrastructure in Norway anticipated to drill in summer 2022 and Q2 2023 respectively;
- The transaction increases Longboat's net unrisksed mean resources by 68% to 110 mmboe with additional, on-block follow-on potential of 55 mmboe;
- Maintains the Company's focus on material gas opportunities near to infrastructure in line with its ESG strategy; and
- Post-tax drilling costs net to Longboat of US\$6 million (excluding carry).

Overview

Following recent bilateral discussions, Longboat has executed a two-well farm-in agreement with OMV to enter three licences on the NCS containing material, gas-weighted prospectivity near existing infrastructure in return for a partial cost carry, subject to certain cost caps.

The licences contain two firm wells on the Oswig and Velocette prospects anticipated to drill in the summer 2022 and Q2 2023 respectively. All the licences are operated by OMV which will retain a 40% working interest post-transaction. The licences have significant follow-on prospectivity which would be de-risked by any exploration success. The consideration for the acquisition of the interests comprises an aggregate pre-tax carry of approximately NOK109 million (\$12.4 million), NOK 30.7million (\$3.4 million) post-tax. The associated expenditure is anticipated to be met by a combination of Longboat's existing cash resources and drawings on its NOK 600 million Exploration Finance Facility. The Company is fully funded for its current committed expenditure.

The transaction seeks to build on Longboat's recent exploration success at Kveikje, Egyptian Vulture and Rødhette by adding two material wells, increasing its net un-risked mean resources by 45 mmboe to 110 mmboe across four firm exploration wells drilling in the next 12 months, including the currently drilling Cambozola well (Longboat, 25%). These wells fit with Longboat's ESG strategy being large gas prospects, close to existing infrastructure and with plans for electrification from shore for one of the potential tie backs.

Oswig (PL1100, PL1100B) – Company 20%

The first prospect scheduled to be drilled this summer is Oswig (PL1100) which consists of a high pressure, high temperature Jurassic rotated fault block nearby the producing Tune and Oseberg fields in the Norwegian North Sea, operated by Equinor. The well is targeting the Tarbert and Ness formations, two separate intervals which are estimated by the operator to contain combined gross unrisksed mean resources of 93¹ mmboe, 19¹ mmboe net to Longboat. The Oswig geological chance of success is estimated to be 36%¹ and the key risks are reservoir quality and fault seal.

The Oswig prospect is located close to existing infrastructure with tie back potential to the Oseberg and

Tune fields.

Several additional fault blocks have been identified on PL1100 and PL1100B and are estimated to contain a further gross unrisks mean resources of 80 mmmboe which would be significantly derisked by an Oswig discovery.

The Oswig well is operated by OMV and will be drilled this summer with the total post-tax cost net to Longboat estimated to be ~\$3 million (excluding carry). The other licencees are Wintershall Dea Norge AS and Source Energy AS.

Velocette (PL1016) – Company 20%

Velocette is a gas-condensate prospect targeting Cretaceous Nise turbidite sands on the eastern flank of the Utgard High in the Norwegian Sea which have been identified following recent seismic reprocessing. Velocette benefits from seismic amplitude anomalies indicative of gas-filled sands located within tieback distance from the Equinor operated producing Aasta Hansteen field (~45 km).

Velocette is estimated by the operator to contain gross unrisks mean resources of 130¹ mmmboe (26¹ mmmboe net to Longboat) with a geological chance of success of 35%¹. A number of follow-up opportunities exist within the licence with aggregate gross unrisks mean resources of ~200¹ mmmboe, which would be significantly de-risked by success in the Velocette well. The key risks associated with this prospect are reservoir presence and quality.

The Velocette well will be operated by OMV and is anticipated to be drilled in the second quarter of 2023 at an estimated total post-tax cost net to Longboat of ~\$3 million (excluding carry). The other licensee is INPEX Idemitsu Norge AS.

Helge Hammer, Chief Executive of Longboat, commented:

“We are pleased to be adding two high-quality, gas-weighted exploration wells into our forward programme following our recent success at Kveikje and our discoveries at Egyptian Vulture and Rødhette in 2021.

“Securing these additional wells through a bilateral negotiation continues to demonstrate Longboat’s deep relationships in Norway and gives investors exposure to a significantly increased exploration programme targeting net mean un-risked prospective resources of 110 million, a 68% increase. These important wells also maintain the Company’s focus on material gas opportunities near to infrastructure at a time when European energy security remains a top governmental priority.

“With results from the high-impact Cambozola prospect due in the coming weeks, we now have a sequence of significant, potential value catalysts between now and the middle of next year. We look forward to updating the market on Cambozola at the end of drilling operations.”

Ends

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1 Source: Operator estimates using, where appropriate, a gas-to-barrel of oil equivalent conversion factor of 5,600 scf/stb

The information contained within this announcement is considered to be inside information prior to its release.

Background

Longboat Energy was established at the end of 2019 to create a full-cycle North Sea E&P company through value accretive M&A and low-risk, near-field exploration. In June 2021 the Company entered into three bi-lateral transactions to acquire interests in a portfolio of seven exploration wells which have resulted in three discoveries (Egyptian Vulture, Rødhette and Kveikje) out of five wells drilled to date.

Longboat's remaining exploration wells, excluding appraisal drilling on the existing discoveries, are both high-impact, gas-weighted prospects drilling during 2022. Longboat has targeted exploration prospects located in close proximity to existing infrastructure, with an overlap between exploration partners and infrastructure owners, providing a portfolio with a clear low-cost route to monetisation and low-carbon drilling and development opportunities, well aligned to Longboat's ESG targets which includes a corporate 'Net Zero' on a Scope 1 and 2 basis by 2050.

To finance the drilling programme, the Company raised gross proceeds of £35 million in 2021 by means of a share placing and a NOK 600 million (£52 million) Exploration Finance Facility (EFF) with SpareBank 1 SR-Bank ASA and ING Bank N.V.

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.

Review by Qualified Person

The technical information in this release has been reviewed by Hilde Salthe, Managing Director Norge, who is a qualified person for the purposes of the AIM Guidance Note for Mining, Oil and Gas Companies. Ms Salthe is a petroleum geologist with more than 20 years' experience in the oil and gas industry. Ms Salthe has a Master's Degree from Faculty of Applied Earth Sciences at the Norwegian University of Science and Technology in Trondheim.

Glossary

"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

