

11 January 2023

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

APA Licence Awards and Exploration Finance Facility Signing

Longboat Energy, the emerging full-cycle E&P company, is pleased to announce the award of new licences under the Norwegian 2022 APA Licensing Round (Awards in Predefined Areas).

Licence 1182 S Block 35/10 - Lotus

Licence 1182 S (Company 30%) lies in the prolific Norwegian North Sea, 4kms southeast of the Company's recent significant Kveikje discovery where Longboat is a 10% equity partner.

The Lotus prospect comprises Paleocene injectite sandstones, characterised by excellent reservoir properties, with seismic amplitude support. The Lotus award allows Longboat to continue to build its presence in this prolific exploration and development area and exploit its deep knowledge of injectite reservoirs gained through the Kveikje discovery, which has porosities of 30%. Lotus is directly analogous to Kveikje.

Based on the Company's estimates, Lotus contains gross mean prospective resources of 27 mmboe* with further potential upside estimated at 44 mmboe*. The chance of success associated with the Lotus prospect is 56%* with the key risk being hydrocarbon retention.

If successful, Lotus is very likely to form part of an area cluster development together with Kveikje, and potentially several other recent discoveries in the area, through infrastructure associated with the nearby giant Troll field. The licence award will increase the attractiveness of Longboat's existing position in Kveikje.

The work programme consists of a firm exploration well within the initial two-year period. The license will be operated by DNO Norge AS (40%) and the other partner is Aker BP ASA (30%).

PL1100C Oswig South Extension

The PL1100 group has been successfully granted licence PL1100C (Company 20%) containing Oswig South, a potential southerly extension of the recent Oswig gas-condensate discovery. The Oswig South prospect is located at a shallower depth than Oswig, and is therefore expected to have better reservoir quality.

The Oswig South prospect has been significantly de-risked by the Oswig discovery and has the potential to double the size of the existing discovery.

The work programme is one year and consists of technical studies. The other partners in PL1100C are OMV (Norge) AS (40%, operator), WintershallDEA Norge AS (20%) and Source Energy AS (20%).

PL293 CS Kveikje Discovery Extensions

The Kveikje discovery partner group (Company 10%) has successfully been granted two additional extension areas to the original licence covering the upside potential of the high-quality oil discovery announced in April 2022.

Partners in licence PL293 CS are Equinor Energy AS (51%, operator), DNO Norge AS (29%), INPEX Idemitsu Norge AS (10%) and Longboat Energy Norge (10%).

Exploration Finance Facility (“EFF”)

Longboat is also pleased to confirm it has now executed the amended facility documentation with its lending banks to increase its EFF to NOK 800 million (~£65 million) from NOK 600 million and extend the availability period to the end of 2024.

Helge Hammer, Chief Executive of Longboat, commented:

“We are pleased to have successfully been offered these additional, low-risk licences, which could add substantial value to two of our core areas where Longboat has already discovered significant volumes during 2022. We look forward to working with our partners to build on this success and add incremental volumes in these emerging development areas.”

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

Ends

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** Source : Resource figures and chance of success estimates on Lotus are from Longboat’s APA2022 application.*

Background

Longboat Energy was established at the end of 2019 to create a full-cycle E&P company through value accretive M&A and near-field exploration. Since June 2021, Longboat has entered a series of four transactions to acquire interests in a portfolio of nine, gas-weighted exploration wells drilling on the Norwegian Continental Shelf close to existing infrastructure. To date, eight of these wells have been drilled resulting in five hydrocarbon discoveries (Egyptian Vulture, Mugnetind, Rødhette, Kveikje and Oswig), representing a 63% success rate.

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.

Maps displaying APA2022 offered acreage

