

Southwark update

18 January 2023

IOG plc

Southwark update

IOG plc ("IOG", or "the Company"), (AIM: IOG.L), the Net Zero UK gas and infrastructure operator focused on high-return projects, provides an update on the Southwark field development:

- The Southwark A2 well has progressed through the hydraulic stimulation phase and currently remains in the clean-up phase, which has taken longer than planned
- Following stimulation of six reservoir zones, gas rates observed from A2 to date have been lower than expected, with a maximum stabilised rate of 4.2 mmscf/d via coiled tubing, at a flowing wellhead pressure of 456 psi
- Associated water rates of up to 1,632 bbl/d strongly indicate a connection to the active aquifer from at least one of the stimulated zones
- A production logging tool (PLT) is being run to acquire downhole data that will help to understand the contribution of each zone and inform next steps
- Subject to the PLT data, the potential solution would be to isolate water producing zones to enable gas flow from other zones. Relevant equipment has already been mobilised to the rig and would be expected to be utilised over the next week.
- If isolation is successful, updated well test results would be expected within the coming weeks which would provide a clearer assessment of the scope for the A2 well to produce gas at commercial rates

Dougie Scott, COO of IOG, commented:

"Having stimulated six discrete reservoir zones, a low gas rate and apparent formation water production at this stage of the A2 well clean-up is unexpected and disappointing. The production logging tool should provide important gas and liquid flow data to help us calibrate the forward plan, which is likely to be to isolate water producing zones in order to assist gas flow."

Rupert Newall, CEO of IOG, commented:

"The Southwark A2 well testing and clean-up process has not met our expectations to date. At this stage, however, the IOG and Petrofac teams continue to work through the options, gather data, interpret the implications for field production and evaluate next steps."

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.

Enquiries:

IOG plc

Rupert Newall (CEO)

Dougie Scott (COO)

James Chance (Head of Capital Markets & ESG)

+44 (0) 20 7036 1400

finnCap Ltd

Christopher Raggett / Simon Hicks

+44 (0) 20 7220 0500

Peel Hunt LLP
Richard Crichton / David McKeown

+44 (0) 20 7418 8900

Vigo Consulting
Patrick d'Ancona / Finlay Thomson

+44 (0) 20 7390 0230

About IOG:

IOG is a Net Zero UK gas and infrastructure operator focused on high-return projects. The Company's operations are currently concentrated around its offshore and onshore Saturn Banks infrastructure in the UK Southern North Sea. Phase 1 of its Saturn Banks Project, which started production in March 2022, entails the commercialisation of the Blythe, Elgood and Southwark gas fields through this infrastructure. Phase 2 of the Saturn Banks Project entails the Nailsworth, Goddard and Elland gas discoveries, which are subject to future investment decisions and expected to be commercialised through the same export infrastructure. The Company also holds further licences with additional resources including the Abbeydale, Panther and Grafton gas discoveries, the Kelham North, Kelham Central, Thornbridge and Thornbridge Deep prospects, and part of the Orrell gas discovery. Currently, all IOG's licences are held 50:50 with its joint venture partner CalEnergy Resources (UK) Limited and operated by IOG. In addition, the Company continually evaluates further opportunities for accretive portfolio additions to help generate additional shareholder returns. Further details are available at www.iog.co.uk.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.