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Deltic Energy Plc / Index: AIM / Epic: DELT / Sector: Natural Resources

8 February 2023

Deltic Energy Plc ("Deltic" or "the Company")

Pensacola Gas Discovery

Deltic Energy Plc, the AIM-quoted natural resources investing company with a high impact exploration and appraisal portfolio focused on the Southern and Central North Sea, is pleased to announce a significant gas and oil discovery at Pensacola on Licence P2252 in the Southern North Sea.

Highlights

- Pensacola could represent one of the largest natural gas discoveries in the Southern North Sea in over a decade.
- Deltic pre-drill volumetrics for Pensacola confirmed by well - P50 Estimated Ultimate Recovery ('EUR') of 302 BCF.
- Well opens a new Zechstein play in this mature basin.
- Flow test results inline with Deltic's pre-test expectations based on the reservoir parameters derived from the well.

Graham Swindells, Chief Executive of Deltic Energy, commented:-

"Deltic's first exploration well at Pensacola has resulted in a highly positive outcome and, at approximately 300 BCF, would represent one of the largest natural gas discoveries in the Southern North Sea in over a decade. This discovery is a major milestone in the development of our Company as we continue to execute our exploration led strategy and progress our portfolio of high-quality drilling opportunities as we seek to create value for our shareholders.

We believe that the Pensacola discovery will open a new Zechstein play in this mature basin and highlights the remaining potential of the North Sea as a source of further discoveries which can provide domestically produced natural gas, supporting UK energy security while we transition toward a Net Zero economy.

As we continue our preparations for drilling the Selene well, we are now looking forward to working with our partners as we continue to progress this exciting and significant gas discovery at Pensacola, and look forward to updating the market on our future plans."

Well 41/05a-2, operated by Shell UK Ltd ("Shell"), reached a total depth of 1,965 metres true vertical depth subsea ("TVDSS") and the presence of mobile gas and oil in the primary Zechstein Hauptdolomite carbonate target interval was confirmed via wireline logs. The well encountered the top Hauptdolomite reservoir at 1,745 metres TVDSS and confirmed a reservoir thickness of 18.8 metres with better than expected porosity averaging 16%. As planned, the well penetrated the edge of the Pensacola structure in a down dip location and has proven a substantial hydrocarbon column.

Post acidization, the well flowed gas at peak rates of c. 4.75 mmscf/day declining to 1.75mmscf/day after the 12 hours of the test. These results are in-line with Deltic's pre-test expectations based on the reservoir parameters derived from the well. Being located down dip, the flow rates observed during the well test are not expected to be representative of flow rates of potential future production wells which would likely target the central part of the Pensacola structure and are expected to generate higher rates.

Light oil with a preliminary gravity of 34-36° API was also produced at a rate of approximately 18 bbls/day during the well test. The potential of this oil with respect to the Pensacola opportunity is yet to be determined.

Based on the data collected during drilling and testing, Deltic has updated its volumetric models and now estimates the

based on the data collected during drilling and testing, Deltic has updated its volumetric models and now estimates the Pensacola discovery to contain P50 EUR of 302 BCF (P90 to P10 Range = 164 to 519 BCF) which are fully aligned with Deltic's pre-drill guidance.

Following completion of the well test programme, as planned and previously stated, the well will now be plugged and abandoned in line with the usual procedure for a well of this nature, and the Noble Resilient will be de-mobilised from site. The net cost to Deltic of drilling the Pensacola well is expected to be £11.1m reflecting certain additional operational requirements during drilling, weather conditions, additional testing costs, as well as market influences, including inflation and exchange rate movements.

Deltic will now incorporate the findings from the well into its geological and commercial models and work with the Joint Venture on the forward appraisal and development plan.

Following this discovery, in line with the Company's strategy, Deltic will consider all options in relation to its interest in Pensacola including appraisal and development as well as potential full or partial monetisation of value. Deltic remains committed to maximising shareholder value from the discovery and across its asset base.

Deltic retains a 30% working interest in Licence P2252 alongside Shell (65%) and ONE-Dyas (5%).

****ENDS****

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About Deltic Energy Plc

Deltic has created a strategically located portfolio of high-quality gas exploration licences in the Southern North Sea over a number of licensing rounds. These licences are located in areas that have been underexplored despite significant discoveries such as Tolmount, Breagh, Pegasus and Cygnus, most of which have gone on to be developed and could provide ready access to export infrastructure for any future developments on Deltic's licence acreage.

Qualified Person

Andrew Nunn, a Chartered Geologist and Chief Operating Officer of Deltic, is a "Qualified Person" in accordance with the Guidance Note for Mining, Oil and Gas Companies, June 2009 as updated 21 July 2019, of the London Stock Exchange. Andrew has reviewed and approved the information contained within this announcement.

Standard

Estimates of resources have been prepared in accordance with the PRMS as the standard for classification and reporting.

Glossary of Technical Terms

°API:	a measure of the density of crude oil, as defined by the American Petroleum Institute
bbls/day	Barrels per day

PRMS:	the June 2018 Society of Petroleum Engineers ("SPE") Petroleum Resources Management System
BCF:	Billion Cubic Feet
mmscf/day:	Million standard cubic feet per day
P90 resource:	reflects a volume estimate that, assuming the accumulation is developed, there is a 90% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a low estimate of resource.
P50 resource:	reflects a volume estimate that, assuming the accumulation is developed, there is a 50% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a median or best case estimate of resource.
P10 resource:	Reflects a volume estimate that, assuming the accumulation is developed, there is a 10% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a high estimate of resource.
Estimated Ultimate Recovery ('EUR'):	Estimated Ultimate Recovery is defined as those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from an accumulation, plus those quantities already produced therefrom.
TVDSS:	True Vertical Depth Sub-Sea



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