

3 March 2023

IOG plc

FY2022 Reserves and Resources Update

IOG plc ("IOG", or "the Company"), (AIM: IOG.L) provides a summary of its FY2022 annual reserves and resources review. This review involves a technical reassessment by the Company's subsurface team of all portfolio assets to generate updated reserves and resources estimates.

The update describes management's current assessment of the portfolio and has been approved by the HSE and Technical Committee and the Board. It follows the Petroleum Resources Management System (PRMS) classification framework. In the case of production assets, it is based on static and dynamic models that have been updated and history matched over field life to date. In the case of pre-production assets, it is based on interpretations of reprocessed seismic and well data where applicable.

Reserves

Field	Gross billion cubic feet equivalent (BCFE)						
	YE 2021			2022 Production	YE2022		
	1P	2P	3P		1P	2P	3P
Blythe	25.9	43.3	56.9	4.1	24.6	42.3	46.8
Elgood	5.7	7.8	7.9	4.1	0.4	2.2	2.8
Southwark	46.3	71.3	104.8	0.0	0.0	10.0	15.0

Blythe

Blythe FY2022 1P and 2P reserve estimates represent a modest increase on FY2021 estimates, factoring in 2022 production of 4.1 billion cubic feet equivalent (BCFE, where condensate is converted into gas equivalent at 5.8 bbl/mcf)

- 1P case assumes production only from the H1 well, as H2 was not sanctioned at year end
- 2P case assumes production from H1 and H2, which was sanctioned in February 2023

Elgood

Elgood produced 4.1 BCFE in 2022. Production of the remaining reserves is expected to require pipeline dewatering and onshore compression.

- 1P case assumes 0.4 BCFE production post-dewatering
- 2P case assumes 0.4 BCFE post dewatering and a further 1.8 BCFE post-compression

Southwark

As previously stated, Southwark is undergoing further detailed technical review following the A2 well result, involving external technical expertise. This will inform the A1 plan and may also result in a further revision of the estimated reserves range.

Pending that review, the current estimated range reflects the uncertainty following A2 as to the recoverability of commercial gas volumes from the A1 and A2 wells.

- 1P case assumes no production is possible from the field
- 2P case assumes production from the A1 well only, based on a limited stimulation scenario, with no production from the A2 well

Reclassified Contingent Resources: Nailsworth and Eiland

Field	Gross BCFE					
	YE 2021			YE2022		
	1P	2P	3P	1C	2C	3C
Nailsworth	22.0	25.0	25.0	2.5	21.0	21.0
Eiland	0.0	0.0	0.0	0.0	0.0	0.0

Nailsworth	63.9	105.2	155.9	48.5	84.9	140.2
Elland	39.9	55.0	72.9	39.9	55.0	72.9

The Nailsworth and Elland gas fields, which are envisaged to be part of a Central Hub development in the area north of Southwark, have been reclassified from the lowest ranked reserve category under PRMS, Justified for Development, to the highest ranked contingent resource category, Development Pending. This classification is considered currently more appropriate given the evolution in development plans from the earlier FDP version that informed the October 2017 Competent Persons Report. Both assets would then be expected to be reclassified to Reserves Justified for Development upon Final Investment Decision.

In addition, the estimated contingent resources range for Nailsworth has been updated to 1C / 2C / 3C 48.5 / 84.9 / 140.2 BCFE. This follows a full subsurface uncertainty analysis which included updates to the static and dynamic models. The post-A2 detailed technical review of Southwark could also have implications for the Nailsworth estimated resource range in future. The volumetric estimates on the Elland gas field have not changed.

Contingent Resources for other assets

Field	Gross BCFE					
	YE 2021			YE2022		
	1C	2C	3C	1C	2C	3C
Goddard	52.0	115.0	169.0	52.0	115.0	169.0
Abbeydale	19.0	23.0	25.0	19.0	23.0	25.0
Grafton	24.0	35.0	46.0	24.0	35.0	46.0
Panther	38.0	46.0	55.0	38.0	46.0	55.0

The volumetric estimated range of contingent resources have not changed for these four gas fields.

Prospective Resources

Prospect	Gross BCFE							
	YE 2021				YE2022			
	Low	Mid	High	GCoS	Low	Mid	High	GCoS
Goddard Flank 1	16.0	27.0	42.0	71%	16.0	27.0	42.0	71%
Goddard Flank 2	30.0	50.0	73.0	71%	30.0	50.0	73.0	71%
Southsea	13.0	31.0	76.0	48%	13.0	31.0	76.0	48%
Kelham North	34.0	46.0	58.0	72%	34.0	46.0	58.0	72%
Kelham Central	11.0	16.0	22.0	72%	11.0	16.0	22.0	72%
Thornbridge	9.0	15.0	20.0	64%	9.0	15.0	20.0	64%
Thornbridge Deep	24.0	46.0	76.0	18%	24.0	46.0	76.0	18%
Orrell (on licence)	12.6	17.6	21.0	100%	11.0	16.0	22.0	100%

Of the prospects in the portfolio, only the Orrell structure, which lies partly within the P2442 licence area, has been slightly revised since the previous assessment. Subject to further technical assessment and successful appraisal of the Kelham North and Kelham Central structures, Orrell could potentially become part of a Southern Hub development. This would be most likely via a single well subsea tie-back to an unmanned host platform and is also envisaged to include the Abbeydale discovery which lies south-east of Kelham North and Kelham Central.

As previously noted, IOG also applied in the 33rd UK Offshore Licensing Round with its joint venture partner CalEnergy for nine blocks in five licences across the Saturn Banks catchment area that all contain existing gas discoveries.

Finally, the reserves and resources estimates contained herein are based on a current assumed date for the start-up of onshore compression of March 2027. The work on compression is currently at concept feasibility evaluation stage.

Rupert Newall, CEO of IOG, commented:

"This comprehensive and rigorous annual reassessment of all our reserves and resources is an essential pre-requisite for maximising the value of our portfolio. It provides the technical baseline for our operational and investment plans, based on a realistic and balanced subsurface view of each asset.

This work continues throughout the year and is now informed by nearly a full year of production data for Blythe and Elgood, recent drilling data for Southwark, as well as ongoing remapping, reinterpretation and remodelling of the pre-development discoveries and prospects in the portfolio."

Competent Person's Statement

In accordance with the AIM Note for Mining and Oil and Gas Companies, IOG discloses that Phil Cox, IOG's Head of Subsurface, is the qualified person that has reviewed the technical information contained in this document. He has an MSc in Geology from the Royal Holloway, University of London, is a fellow of the Geological Society and has over 23 years' of experience in the upstream oil and gas industry. Phil Cox consents to the inclusion of the information in the form and context in which it appears.

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.

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About IOG:

IOG is a UK developer and producer of indigenous offshore gas. The Company began producing gas in March 2022 via its offshore and onshore Satum Banks production infrastructure. In addition to its production assets, IOG operates several UK Southern North Sea licences containing gas discoveries and prospects which, subject to future investment decisions, may be commercialised through the Satum Banks infrastructure. All its assets are co-owned 50:50 with its joint venture partner CalEnergy Resources (UK) Limited. Further details of its portfolio can be found at www.iog.co.uk.

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