

9 March 2023

Block Energy plc

("Block" or the "Company")

Completion of Farm-Out Agreement

Block Energy plc, the exploration and production company focused on Georgia, announces completion of the farm-out of part of licence XIB to Georgia Oil and Gas Limited ("GOG").

As announced on the 12th of December 2022, Block entered into binding documentation concerning a farm-out of part of licence XIB to GOG. The transaction has been completed, with Block now holding a 50% interest in the new Didi Lilo and South Samgori areas of XIB.

GOG has completed the seismic activities agreed under the terms of the farm-out agreement, specifically the acquisition and processing of 210 km 2D seismic, reprocessing of 1,000 km of existing seismic data and initial interpretation.

The Didi Lilo and South Samgori areas form part of GOG's broader portfolio, covering some 13,500 km² which GOG estimate to hold total un-risked prospective resource volumes of 3.1 TCF of gas and 1,400 MMbbl of oil, which underpins its high-impact farm-out strategy.

Commenting, Paul Haywood, Block Energy CEO:

"We are pleased to have completed the previously announced farm-out of part of XIB to GOG and to see the seismic obligation fulfilled. We look forward to working on the seismic interpretation and progressing the project toward an industry farm-out."

Stephen James BSc MBA, PhD (Block's Subsurface Manager) has reviewed the resource information contained in this announcement. Dr James is a geoscientist with over 40 years' of experience in field development and reservoir management.

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Notes to editors

Block Energy plc is an AIM-listed independent oil and gas company focused on production and development in Georgia, applying innovative technology to realise the full potential of previously discovered fields.

Block has a 100% working interest in Georgian onshore licence blocks IX and X^B. Licence block X^B is Georgia's most productive block. During the mid-1980s, production peaked at 67,000 bopd and cumulative production reached 100 MMbbls and 80 MMbbls of oil from the Patardzeuli and Samgori fields, respectively. The remaining 2P reserves across block X^B are 64 MMboe, comprising 2P oil reserves of 36 MMbbls and 2P gas reserves of 28 MMboe. (Source: CPR Bayphase Limited: 1 July 2015). Additionally, following an internal technical study designed to evaluate and quantify the undrained oil potential of the Middle Eocene within the Patardzeuli field, the Company has estimated gross unrisked 2C contingent resources of 200 MMbbls of oil.

The Company has a 100% working interest in licence block X^F containing the West Rustavi onshore oil and gas field. Multiple wells have tested oil and gas from a range of geological horizons. The field has so far produced over 75 Mbbls of light sweet crude and has 0.9 MMbbls of gross 2P oil reserves in the Middle Eocene. It also has 38 MMbbls of gross unrisked 2C contingent resources of oil and 608 Bcf of gross unrisked 2C contingent resources of gas in the Middle, Upper and Lower Eocene formations (Source: CPR Gustavson Associates: 1 January 2018).

Block also holds 100% and 90% working interests respectively in the onshore oil producing Norio and Satskhenisi fields.

The Company offers a clear entry point for investors to gain exposure to Georgia's growing economy and the strong regional demand for oil and gas.

Glossary

- bbls: barrels. A barrel is 35 imperial gallons.
- Bcf: billion cubic feet.
- boe: barrels of oil equivalent.
- boepd: barrels of oil equivalent per day.
- bopd: barrels of oil per day.
- Mbbls: thousand barrels.
- Mboe: thousand barrels of oil equivalent.
- Mcf: thousand cubic feet.
- MD: measured depth.
- MMbbls: million barrels.
- MMboe: million barrels of oil equivalent.
- MMcf: million cubic feet.
- TVD: True Vertical Depth.

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