

3rd April 2023

Block Energy plc

("Block" or the "Company")

Project I Update

Further to the announcement made on WR-B01Za on 28th February 2023, Block Energy plc, the exploration and production company focused on Georgia, is pleased to provide an update on Project I, including the results of the extended well test on WR-B01Za.

Production Test

WR-B01Za has now been producing at a rate of 269 boepd (241 bopd oil & 4,800 m³/d gas) over a period of twelve days, following a successful low-cost wellbore intervention by the Block drilling team. No formation water has been produced to date. The well has continued to flow naturally through choke settings ranging from 7.1 mm (18/64") to 11.1 mm (28/64") and has now been handed over to the production team.

The results of WR-B01Za provide back-to-back drilling success, further validating the Company's subsurface model and reservoir understanding and confirming its ability to accurately place horizontal wells in areas of good productivity. As planned, the WR-B01Za trajectory penetrated and followed a seismic lineation running parallel to and 500m to the west of the lineation penetrated by JKT-01Z.

Cumulative production from the Block side track programme now stands above 250,000 BOE.

Project I

The first of the Company's Project I development wells, JKT-01Z, commenced production in January 2022 and continues to perform better than that predicted by Block's independent reserves auditor. In 2022, ERCE completed an independent reserve report on the Krtsanisi anticline development area and assigned gross 3P reserves of 3.01 MMstb oil / 2.14 BSCF gas with an associated NPV10 of USD 56.98 million.

The Company intends to drill the remaining side-tracks and new wells defined in the Krtsanisi anticline field development plan. The Company's internal Contingent Resource report ascribes 2C contingent resources of 19.5 MMstb to Project I.

Project I is the development of the Middle Eocene oil reservoir in the West Rustavi-Krtsanisi field. The reservoir is divided into eight development areas, the first of which being drilled is the Krtsanisi anticline area.

Commenting, Paul Haywood, Block Energy CEO said:

"Our Block Energy operational and drilling team have worked extremely hard to design and execute the wellbore clean-out operation. The results of the operation are very encouraging for future development and the production added by WR-B01Za is material to the Company. This is the second successful Project I development well. I look forward, in due course, to updating shareholders on further Project I activities, including the upcoming side-tracks and new wells."

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.

****ENDS****

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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 unrisks 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 unrisks 2C contingent resources of oil and 608 Bcf of gross unrisks 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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