

11 April 2022

Block Energy plc

("Block" or the "Company")

MoU with Ministry of Economy and Sustainable Development of Georgia

Block Energy plc, the exploration and production company focused on Georgia, is pleased to announce that it has entered into a Memorandum of Understanding ("**MoU**") with the Ministry of Economy and Sustainable Development of Georgia (the "**Ministry**").

The MoU between Block and the Ministry covers government support and initiatives to assist in the development of Projects I, II, III and IV through data sharing, cooperation and the facilitation of meetings with national and regional large oil companies.

In particular, the MoU supports the concept of a long-term gas offtake agreement, which is an important part of delivering value associated with Project III and the 1 TCF contingent resource identified by Block's subsurface team and supported by internal contingent resource reports. The MoU also covers other areas of cooperation, including geothermal, carbon capture and storage, specifically the south dome project located within license XIB and hydrogen projects across Block's licence areas.

Commenting, Paul Haywood, Block Energy CEO said:

"This MoU reflects the strength of government support for the development of Block's assets, which will be helped by the sharing of data and other cooperation initiatives. In particular, the MoU supports the concept of a long-term gas offtake agreement, which is an important part of delivering value associated with Project III and the 1 TCF contingent resource identified."

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

****ENDS****

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN.

For further information please visit <http://www.blockenergy.co.uk/> or contact:

Paul Haywood	Block Energy plc	Tel: +44 (0)20 3468 9891
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(Chief Executive Officer)

Neil Baldwin	Spark Advisory Partners Limited	Tel: +44 (0)20 3368 3554
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(Nominated Adviser)

Peter Krens	Tennynson Securities	Tel: +44 (0)20 7186 9030
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(Corporate Broker)

Philip Dennis / Mark	Celicourt Communications	Tel: +44 (0)20 8434 2643
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Antelme / Ali AlQahtani

(Financial PR)

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 XI^B. Licence block XI^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 XI^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.
- MMbbls: million barrels.
- MMboe: million barrels of oil equivalent.
- MMcf: million cubic feet.

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