

18 April 2023

## IOG plc

### Drilling update

IOG plc ("IOG", or "the Company"), (AIM: IOG.L) provides an update on the drilling of the Blythe H2 well. Having spudded on 5<sup>th</sup> March, the Company estimated that the H2 well was expected to take approximately three months to drill, complete and hook-up, subject to the usual operational risks.

The H2 well is being drilled by the Shelf Perseverance jack-up drilling rig under IOG's contract with Shelf Drilling (UK) Ltd ("Shelf") signed in 2020. Petrofac is the Well Operator, as with all previous Saturn Banks development wells.

The H2 well was successfully drilled to the Basal Zechstein sequence. However, while drilling through the Hauptdolomit formation within the Zechstein, an abnormally pressured gas and oil influx was encountered, with associated drilling fluid losses. The risk of such a well control challenge was identified during planning and is being safely managed by Petrofac and Shelf, in collaboration with the IOG team. However, this now looks likely to impact the expected well duration, potentially by up to four weeks, while the associated cost impact will depend largely on the speed of resolution.

The influx from the Hauptdolomit has been determined to contain non-commercial quantities of oil and gas and is not related to the target Rotliegendes gas reservoir which is over 500 ft deeper and isolated from the Hauptdolomit. The well has been displaced to a mud weight above the formation pressure. Options to progress include isolation of the influx zone with cement and, if necessary, side tracking of the well.

#### **Rupert Newall, CEO of IOG, commented:**

"Encountering a gas and oil influx while drilling through the overburden above the reservoir is a known risk in the Southern North Sea. Associated drilling fluid losses present an additional challenge, however this is being actively and safely managed by Petrofac, the Well Operator, and Shelf, the drilling contractor, working closely with the IOG team, to ensure that drilling ahead can be safely resumed."

*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 Saturn 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

Several UK Southern North Sea reserves containing gas discoveries and prospects which, subject to future investment decisions, may be commercialised through the Saturn 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](http://www.iog.co.uk).

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