RNS Number : 8302W
Deltic Energy PLC
20 April 2023

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Deltic Energy Plc / Index: AIM / Epic: DELT / Sector: Natural Resources

Deltic Energy Plc ("Deltic" or "the Company")

Final Results

Deltic Energy Plc, the AIM-quoted natural resources investing company with a high impact exploration and appraisal portfolio focused on the Southern and Central North Sea, is pleased to announce its audited results for the year ended 31 December 2022 ('FY 2022') and that it has released a results presentation. The results presentation is available on the homepage at the Company's website: www.delticenergy.com.

Highlights

- Transformational gas discovery at Pensacola on Licence P2252 in the Southern North Sea ("SNS").
    - Pensacola represents one of the largest natural gas discoveries in the SNS in over a decade.
    - Discovery contains P50 Estimated Ultimate Recovery of 302 BCF of gas (90 BCF net to Deltic).
    - Well opens a new Zechstein play in this mature basin.
    - Working closely with partners to progress this significant discovery to appraisal.
    - Considering options in relation to Deltic's 30% interest including potential full or partial monetisation, and appraisal and development.

- Committed to second potentially high impact exploration well on the Selene prospect.
    - Selene is the largest undrilled structure of its kind in this part of the SNS, with an estimated P50 recoverable resource of in excess of 300 BCF (150 BCF net to Deltic).
    - Deltic anticipates that Selene will be drilled around the middle of 2024.

- Deltic-Capricorn Joint Venture ("JV") continues to progress technical work across five SNS licences. The key focus across the licences has been the Carboniferous play, in which multiple leads and prospects exist, as well as estimated significant volumes of Gas Initially in Place totalling in excess of 2 TCF.

- Completed the Phase A work programme to significantly de-risk the Syros prospect located in the Central North Sea, and a farm-out process, which commenced in late 2022, is ongoing.

- In September Deltic successfully raised £16 million via an oversubscribed equity placing and open offer.

- Net cash outflow from operations and investing activity for the year of £4.7 million (2021: £1.8 million), with £2.1 million relating to the drilling of the Pensacola well.

- Cash position of £20.4 million at 31 December 2022 (2021: £10.1 million) with no debt. Cash position of £15.1 million (unaudited) at 31 March 2023. The Pensacola well cost was £12.8 million of which £5.6 million of the total well costs are to be billed by the JV Partner subsequent to 31 March 2023.

- Participated in the UK's 33rd Offshore Licensing Round, with Deltic submitting multiple applications for blocks and part blocks in both the Southern and Central North Sea focused on bolstering and diversifying its portfolio.

Graham Swindells, Chief Executive of Deltic Energy, commented:

"2022 saw a fundamental shift in the delivery of Deltic's business model as the Pensacola well started drilling in November, subsequently being announced as a highly material gas discovery in February this year. Pensacola entirely vindicates our long-term business strategy of identifying high-value exploration assets at a very early stage and bringing vindicates our long-term business strategy of identifying high-value exploration assets at a very early stage and bringing them to fruition. We are now in the enviable position of deciding how best to appraise and develop this 300 BCF discovery alongside our partners, and delivering value for shareholders.

Moreover, we continue to advance our second potentially high-value asset, the Selene gas prospect, also located in the Southern North Sea. Together with our partner Shell, we expect to drill this similar sized prospect to Pensacola in the summer of 2024. With this drilling activity coupled with additional prospectivity from the rest of our portfolio and potential new licence awards, I believe the future looks extremely positive for Deltic, especially at a time when the UK should rightly be focused on its longer-term energy security."

For further information please contact the following:

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About Deltic Energy Plc

Deltic has created a strategically located portfolio of high-quality gas exploration licences in the Southern North Sea over a number of licensing rounds. These licences are located in areas that have been underexplored despite significant discoveries such as Tolmount, Breagh, Pegasus and Cygnus, most of which have gone on to be developed and could provide ready access to export infrastructure for any future developments on Deltic's licence acreage.

Chairman's Statement

The last year has seen high levels of uncertainty in global economies. As the world slowly emerged from the global pandemic, further disruption came from the Russian invasion of Ukraine beginning in February 2022 and continuing today. As the world supports Ukraine's resistance, the knock-on effect on trade and the supply of food and energy has caused continuing challenges at a global scale, national scale and to individual households.

A major re-structuring of the total energy system began at a global scale in order to secure continued supplies while reducing dependence upon Russian supplies. The dependence of Europe on Russia for oil and gas became apparent, including leading economies such as Germany which had grown over the years after previously being self-sufficient. While UK dependence upon Russia was not so directly felt as many EU countries, there was an indirect impact as markets tightened.

The changing situation has caused policymakers and commentators to better understand and emphasise the importance of security of supply and the value of domestic supplies for energy security as well as for jobs, treasury receipts and for greenhouse gas emissions when compared with imports of the same resources.

At the same time, the rise in commodity prices associated with tighter supplies, and increasing profits, at a time when people were experiencing much higher energy bills from the same market forces, brought negative attention to our sector. Government interventions resulted in the introduction of the Energy Profits Levy ('EPL'), such that the sector now has the highest taxes for any UK industrial sector.

With all this going on in the outside world, our company continued to follow its business plan of feeding a conveyor belt of opportunities from licence round through technical evaluation; to bringing in high quality partners and ultimately drilling exploration wells.

During the year, our company applied for a number of licences in the 33rd Offshore UK Licensing Round, worked on farming-out several attractive prospects, advanced the evaluation of drilling opportunities across many of our licences with our industry partners, while securing commitment to drill Selene with Shell. Pensacola became the first prospect the company has drilled resulting in a very successful discovery of gas just off the northeast coast of England.

All of this will be more fully covered in the following reports by our Chief Executive Officer Graham and Chief Operating Officer Andrew, but at the highest level we can say that, through all of the external challenges, as prices rise and fall and as sentiment sees peaks and troughs, we are getting on with the job we set out to do in becoming a leading North Sea exploration company.

Mark Lappin

Chairman

19 April 2023

Chief Executive's Statement

The last year has been transformational for our company and its future. We started 2022 with just one committed exploration well and now have a major discovery on the play-opening Pensacola prospect as well as a further committed exploration well on our Selene prospect. The drilling of the first well on one of our licences represented a significant milestone in the evolution of Deltic and we were delighted to achieve initial success in discovering both gas and oil. The benefits of this are wide-reaching in that in addition to it representing our first discovery, it demonstrates the success of our model to identify quality opportunities and create a conveyor belt of exploration assets attracting the highest quality partners to facilitate the progression from licensing to drilling. This has been further highlighted by Shell's decision to drill the high impact, low risk Selene prospect which is of a similar scale to Pensacola. In addition to the further endorsement of the quality of our assets, having a well at Selene to add to our discovery further de-risks the investment proposition and provides a fantastic base from which to continue to grow the Company. Accordingly, we are delighted with how things have progressed and excited about the future development of the Company.

Pensacola Discovery

In November 2022, Shell commenced the drilling of the first well at Pensacola, with drilling operations continuing through to February 2023 and we were delighted to announce a very significant discovery of gas.

The well encountered 19 metres of reservoir on the edge of the structure with higher than expected average porosity of 16% and proved a hydrocarbon column of in excess of 100 metres. It was particularly pleasing that following drilling, our pre-drill estimate of gas volumes was confirmed at just over 300 BCF (P50 Estimated Ultimate Recovery) equivalent to 50 mmboe. On test, gas flowed at a maximum rate of c. 5 mmscf/day which, while in line with pre-test expectations, is not considered representative of the much higher flow rates that would be expected on a horizontal appraisal or production well drilled in the centre of the structure.

The well also unexpectedly encountered oil with 34-36° API which has the potential to create further opportunity on the licence. While the upside associated with the oil is still being evaluated, the well has indicated the presence of a potentially significant volume of oil which could lead to additional future activity on Pensacola.

This first exploration well has resulted in a highly positive outcome and, at approximately 300 BCF, is the largest natural gas discovery in the Southern North Sea ("SNS") in over a decade and is close to existing infrastructure. The discovery represents a major milestone in the development of our company as we continue to execute our exploration-led strategy and progress our portfolio of high-quality drilling opportunities in order to create value for our shareholders.

We are now entering a period of post well analysis which will shape appraisal and development plans with appraisal drilling anticipated late 2024. We are looking forward to working with our partners, Shell and ONE-Dyas, as we continue to progress this exciting and significant discovery and look forward to updating the market in due course.

As well as opening a new Zechstein play in this mature basin, this discovery highlights the remaining potential of the North Sea as a source of further discoveries which can provide domestically produced natural gas, supporting UK energy security while we transition toward a Net Zero economy.

As a result of this discovery, Deltic now has a highly valuable and marketable asset and in line with the Company's strategy, Deltic is considering all options in relation to its interest in Pensacola, including appraisal and development as well as potential full or partial monetisation of value with a view to maximising shareholder value from the discovery.

Selene

Throughout the year, the JV continued to refine its technical and commercial assessment of the Company's Selene prospect on Licence P2437. This work was rewarded in July when Shell confirmed that they had taken the important step of making a positive well investment decision and committed to drilling the prospect such that Selene is now a firm well.

We continue to consider Selene the largest undrilled structure of its kind in this part of the SNS. With estimated P50 resource of in excess of 300 BCF (50 mmboe) and a high geological chance of success (70%) we are excited to be drilling this prospect.

Well planning has begun and although a well slot has yet to be confirmed it is currently anticipated that Selene will be drilled in Q3 2024.

In the meantime, we expect the site survey to be carried out later this year along with confirmation of rig contract.

Capricorn Energy JV - Licences P2560, P2561, P2562, P2567 and P2428

2022 saw continued progress across the various licences held jointly with Capricorn. The results of the new high quality modern 3D seismic survey were received, and reprocessing of existing legacy data has been recently completed. The key area of focus across the key licences has been the Carboniferous play in which multiple leads and prospects exist. Significant volumes of gas are estimated to exist across these licences, totalling in excess of 2 TCF of Gas Initially in Place ('GIIP'). We continue to work closely with Capricorn and current activity is centred around refinement of the assessment of risks and volumes in order to support a drilling decision.

Deltic notes recent announcements by Capricorn as it undertakes a strategic review, expected to be complete by the end of April, and considers the future of its UK business as part of that process. Deltic also notes Capricorn's recent cost base update statement which indicated an intention to monetise or farm down its UK exploration assets. Deltic's focus remains on expediting drilling of its prospects and will continue to work with Capricorn to seek to effect this within the licence timeframes. In the meantime, Capricorn work with Capricorn to seek to effect this within the licence timeframes. In the meantime, Capricorn continues to meet all obligations under the farm out entered in 2021 and the current phase of each of the licences.

Central North Sea

Throughout the year, we made good progress in maturing our Syros oil prospect on Licence P2542. The purchase of recently reprocessed seismic data has facilitated a revised and more robust interpretation of the prospect by our technical team. Following this work, we consider Syros to be a low-risk prospect with estimated P50 prospective resources of 25 mmboe and a 58% geological chance of success. Syros also sits in close proximity to existing infrastructure with multiple offtake opportunities, which would allow it to be quickly and easily developed. This work has allowed us to commence a farm out process and we are currently engaging with a number of counterparties.

Fundraising

In September, we were very pleased to raise gross proceeds of approximately £16 million in an oversubscribed placing and accompanying open offer which was supported by all of our key shareholders as well as a number of new institutional investors. This fundraising was particularly important as, amongst other things, it allowed Deltic to progress Selene into the drilling phase of the licence following the positive well investment decision. We appreciate the continued support of our shareholders and welcome the addition of new institutional shareholders.

Energy Policy/Windfall Tax

In the course of 2022, gas prices rose to unprecedented levels with governments finally waking up to the importance of energy security. To that end, Deltic welcomed the UK Government's Energy Security Strategy which was announced in April 2022 which as well as recognising the importance of maintaining domestic production (over higher emission imports of LNG), confirmed a new UK licensing round which was launched towards the end of last year. However, the Government subsequently bowed to pressure and introduced a windfall tax in May in the form of the Energy Profits Levy ("EPL") which, following further amendment in November, ultimately increased the tax on profits to 75% and extended the tax to 2028. Deltic does not have direct exposure to the EPL, however it has weighed heavily on the sector and this lack of fiscal stability has impacted the relative competitiveness of the UK in terms of attracting investment.

One very positive aspect of the EPL which Deltic supports was the introduction of the Investment Allowance which allows companies which are subject to the EPL an investment allowance resulting in a 91% cost saving on new investment. This means that for EPL paying companies, the value and hence attractiveness of Deltic's assets is materially enhanced and we would therefore hope to benefit from this as we continue to progress drilling activity and seek further high calibre partners.

Outlook

While gas prices have inevitably come down significantly from the unprecedented highs experienced in 2022, as the energy crisis and the war in Ukraine has continued, a structural shift in gas markets appears to have occurred with long term gas prices expected to remain significantly higher than historic averages. While we do not seek to predict commodity prices, nor do our projects require inflated prices, we believe the long term pricing outlook should strongly support ongoing investment in new gas projects.

The outlook for Deltic remains extremely bright. The first, successful, well has been drilled on one of our licences which made a very significant discovery of gas. This fundamentally changes Deltic's model, as we now have a valuable development asset, as opposed to being purely exploration-driven. We now anticipate appraisal activity on Pensacola as the next step towards its commercial development as well as another exploration well at Selene, each of which will be high impact catalysts. More widely, we have demonstrated that potential exists for further exploration success in the SNS and the critical role that companies like Deltic have in supporting future domestic production and energy security.

We are continuing to work with Capricorn on our other SNS licences and our farm out process on our Syros prospect is ongoing. In line with our strategy to continue to grow our asset base, we have also applied for a number of new licences in the latest UK licensing round and, assuming success, this will give us the opportunity to further enhance our portfolio of drilling opportunities.

I would like to take this opportunity to thank the Deltic team for their hard work and commitment throughout the last year and our shareholders for their ongoing support as we strive to create value.

Graham Swindells

Chief Executive Officer

19 April 2023

Operational Review

P2252 Pensacola (30% Deltic, 65% Shell, 5% ONE-Dyas) & P2558 Pensacola North (30% Deltic, 70% Shell)

The key activity for the P2252 Pensacola licence, and the Company during the period was the drilling of the 41/05a-2 discovery well on the Pensacola prospect, with well operations commencing on 23 November 2022. The well successfully met all its key pre-drill objectives, including the discrimination between two competing geological models, confirmation of hydrocarbons significantly in excess of minimum economic volumes within the Pensacola structure, and a demonstration of hydrocarbon mobility.

Well 41/05a-2, operated by Shell, reached a total depth of 1,965m TVDSS and the presence of mobile oil and gas in the primary Zechstein Hauptdolomite carbonate target interval was confirmed via core and wireline logs. The well encountered top Hauptdolomite reservoir in a slope facies with a reservoir thickness of 18.8m with an average porosity of 15.8%. A probable gas-oil contact was observed in the well, indicating a substantial hydrocarbon column and the deeper oil-water contact has not been proven by the well. Based on our current mapping of the Pensacola prospect, it appears that hydrocarbons are present below the 4-way dip closed structure and work is ongoing to understand the additional potential upside that may be associated with a deeper oil-water contact.

On test, the well flowed at a rate of 4.75mmscf/day, approaching a stable rate of around 1.75mmscf/day after 12 hours with water production also rapidly declining over the testing period. In addition, the well flowed black oil (34-36 API°) at a rate of approximately 18bbls/day. The test rates were in-line with pre-test expectations based on the reservoir facies intersected and the down-dip location of the well. Significantly improved flow rates are predicted from horizontal wells targeting the thicker, higher quality oolitic dolomites, which preliminary post-well analysis indicates are present across the top of the structure and contain the bulk of the recoverable gas resource.

In light of the data collected during drilling and testing, Deltic has updated its volumetric estimates for Pensacola and now estimates the Pensacola discovery to contain a P50 Estimated Ultimate Recovery ('EUR') of 302 BCF (P90 to P10 Range = 164 to 519 BCF) which is in-line with pre-drill estimates. The significance of the oil recovered during testing is being evaluated, however preliminary evaluation is suggesting that the volumes of oil involved could potentially be very material.

Deltic believes the well results materially de-risk follow-on prospectivity associated with the Pensacola North prospect on adjacent licence P2558, located immediately to the north, and will provide an update once the post-well laboratory analysis has been fully integrated into the regional geological model.

The information gathered from this well and the ongoing laboratory work on samples collected during drilling and testing will now be integrated into the geological model for Pensacola and the associated follow-on prospectivity and inform the next steps on the licence, with appraisal drilling anticipated late 2024.

P2437 Selene (50% Deltic, 50% Shell)

On 26 July, Deltic was delighted to announce that the JV had made a positive well investment decision and following approval from the North Sea Transition Authority (or "NSTA"), the JV received formal confirmation that the P2437 licence had moved into the next phase of the licence on 31 October 2022. As planned, Shell also assumed Operatorship of the P2437 licence as part of the process of moving into the drilling phase.

While rig selection and scheduling is yet to be confirmed by the Operator, well engineering and planning work has commenced and we expect a site survey to be completed in the second half of 2023 in anticipation of drilling commencing in Q3 2024.

The well will be located and designed to prove the presence of gas in excess of the minimum economic volume required to support a future development of the lowest possible cost and to collect the additional geotechnical information required to support field development planning.

Deltic remains convinced that the Selene prospect is one of the largest unappraised structures in the Leman Sandstone fairway of the Southern Gas Basin and estimates that it contains gross P50 Prospective Resources of 318 BCF of gas (with a P90 to P10 range of 132 to 581 BCF) with a geological chance of success of 70%.

P2428 Cupertino Area and P2567 Cadence Area (40% Deltic, 60% Capricorn)

Work during the period focused on completion of the processing work on the 680km^2 of new 3D seismic shot over licence P2428 in 2021 which was delivered in mid-2022 and the reprocessing of the legacy VE08 3D survey over licence P2567, with final products delivered in early 2023. This newly delivered data has been integrated into the regional geological dataset and is being used to refine the JV's assessment of the prospectivity across the blocks.

The Capricorn JV has been focusing on the Carboniferous play and has identified a number of potentially material leads and prospects with some similarities to nearby producing fields such as Breagh and discoveries such as Pegasus and Andromeda which are located immediately to the south of these licences.

The Carboniferous play as a whole is considered low risk with very material in-place prospective resources of approximately 2 TCF (mid-case estimate) across the two licences.

Ongoing work is focusing on the assurance of volumes and risks associated with individual prospects and leads in order to high grade potential drilling opportunities across both licences.

P2560, P2561 and P2562 - South Breagh Area (30% Deltic, 70% Capricorn)

Work during the period focused on the integration and upgrading of legacy datasets including the reprocessing of the Lochran 3D survey covering much of Licence P2560 and the northern part of P2562. Final reprocessing products were delivered in January 2023 and the focus has been on maturing a small number of leads across the licence area using this new data. The lack of high quality 3D seismic is hampering the assessment of prospectivity over much of P2561 and P2562 and the JV will take a view on the future of those licences in the coming months. The primary prospect is the intra-Carboniferous Lochran Deep structure on Licence P2560 which has the potential to contain material volumes of gas, significantly in excess of that estimated by previous Operators.

Deltic notes Capricorn's recent cost base update statement which among other things indicated that as part of a strategic review, the board of Capricorn had concluded that its near-term strategic focus should be primarily on Egypt, and to farm down, monetise or exit exploration concessions outside Egypt. While Deltic cannot comment on Capricorn's strategic review and its plans to farm down or monetise any of the five licences Deltic holds jointly with Capricorn, work progresses across those licences and Capricorn continues to meet all obligations under the farm out entered in 2021 and the obligations under each phase of the licences.

Phase A of each of the licences ends on 30 November 2023 with the exception of P2428 which ends on 31 March 2024.

P2542 Syros (100% Deltic)

Deltic has now completed the Phase A work programme on licence P2542 located in the Central North Sea, which contains the Syros prospect. This work included the purchase of the latest 3D Evolution seismic dataset across the acreage and the completion of a Joint Impedance and Facies Inversion (Ji-Fi) inversion of the seismic data, in conjunction with IKON Science. This work has significantly de-risked the Syros prospect and Deltic considers it to be 'drill ready'.

The Syros prospect is located immediately to the west of the Montrose-Arbroath production platforms and in close proximity to a number of fields which produce from the same Fulmar sandstones which are expected to be present within the Syros rotated fault block.

The Syros prospect is expected to contain a gassy light oil, similar to producing offset fields and is estimated to contain P50 prospective resources of 24.5mmboe (P90 to P10 Range = 13.7 to 39.7 mmboe) with a geological chance of success of 58%.

As previously announced, a farm-out process was commenced late in 2022 and Deltic has had significant engagement with a number of credible operators in relation to Syros and management are confident of attracting a joint venture partner.

Portfolio Management

As previously reported, Deltic was informed by the Operator of licence P2435, The Parkmead Group, that a farm out partner could not be found to assist in the maturation of the Blackadder prospect within the required licence timeframe, and therefore recommended that the licence should be relinquished. Relinquishment of Licence P2435 was confirmed on 30 September 2022.

Similarly, a farm out partner could not be found to participate in the drilling of the Dewar prospect within the required licence timelines and, in line with previously stated intentions, the licence was relinquished on 30 September 2022.

33rd Licensing Round

The NSTA announced the launch of the 33rd licensing round on 7 October 2022, with 931 blocks and part blocks available for licensing. The round closed for applications on 12 January 2023 and following an extensive review of a large number of opportunities Deltic submitted a number of applications for blocks and part blocks in both the Southern and Central North Sea.

Significant interest from the industry was noted, with the NSTA reporting that 115 bids across 258 blocks were received across the licensing round, with a total of 76 different companies submitting applications. Deltic expects the NSTA to start awarding new licences resulting from the 33rd round from Q3 2023.

Andrew Nunn
Chief Operating Officer
19 April 2023

Portfolio and Resource Summary

The Company's current licence portfolio and prospect inventory, as of the end of March 2023, is summarised below:

Southern North Sea - Discoveries

Licence Ref:	Block ID	Deltic Equity	Project ID	Discovered (D)	Net to Deltic P50 Estimated Ultimate Recovery (BCF)			GCoS%
					P90 Low	P50 Best	P10 High	
P2252[1]	41/5a, 41/10a & 42/1a	30%	Pensacola - Zechstein	D	49.5	90.6	155.7	100
P2437[1]	48/8b	50%	Sloop - Leman	D	4	9	19	100

[1] Operated by Shell

Southern North Sea - Prospects and Leads

Licence Ref:	Block ID	Deltic Equity	Project ID	Prospect (P) Lead (L)	Net to Deltic Prospective Resource (BCF)			GCoS%
					P90 Low	P50 Best	P10 High	
P2558[1]	41/5b & 42/1b	30%	Pensacola North - Zechstein	To Be Determined				
P2437[1]	48/8b	50%	Selene - Leman	P	66	159	290	70
			Endymion - Leman	L	18	24	31	27
			Rig & Jib - Leman	L	7	18	29	35
P2428[2]	43/7 & 43/8	40%	Cupertino	To Be Determined				
			Cupertino NE					
			Cambridge					
			Chelmsford					
			Callander					
			Richmond - Leman	L	25	84	219	20
P2567[2]	43/11 & 43/12b	40%	Cadence	To Be Determined				
			Cadence North					
			Cadence West					
			Chester					
			Bassett - Bunter Sst	L	14	51	121	37
			Bathurst - Bunter Sst	L	48	110	228	22
P2560[2]	42/13b 42/17 & 42/18	30	Lochran Deep	To Be Determined				
P2561[2]	42/19 & 42/20b	30%	To Be Determined					
P2562[2]	42/22 & 42/23	30%	To Be Determined					

[1] Operated by Shell

[2] Operated by Capricorn Energy

Central North Sea

Licence Ref:	Block ID	Deltic Equity	Project ID	Discovery (D) Prospect (P) Lead (L)	Net to Deltic Prospective Resource (MMBOE)			GCoS%
					P90 Low	P50 Best	P10 High	
P2542	22/17a	100%	Syros - Fulmar	P	13.7	24.5	39.7	58

Andrew Nunn

Chief Operating Officer

19 April 2023

Financial Review

Overview

The Company had a cash balance of £20,409,692 at the end of the year (2021: £10,092,205). In September, the Company raised £15,958,850 (gross) by issuing 455,967,137 ordinary shares as part of a placing and open offer at 3.5 pence per share ("the Fundraise").

The Company moved into a more operational phase during the year and drilling operations commenced at Pensacola in November and continued through to February 2023.

Loss for the year

The Company incurred a loss for the year to 31 December 2022 of £2,989,404 (2021: £1,935,052). Administrative expenses of £2,745,350 (2021: £1,912,987) were incurred during the year.

The prior year loss included a gain of £298,173 associated with the farm-out of five gas licences in the Southern North Sea to Capricorn Energy PLC as part of the USD $1 million consideration Deltic received as a contribution to historic costs. The prior year gain is included as other operating income in the Income Statement for the prior year.

A write down of £347,610 is recognised in the year resulting from the relinquishment of licences P2435 (Blackadder Prospect) and P2537 (Dewar Prospect) ('the Write Down'). In 2021, a write down of £288,551 was recognised relating to the relinquishment of Licence P2384 (Manhattan Prospect) and P2424 (Cortez Prospect).

Finance income of £129,301 (2021: £2,905) was earned on short term high interest-bearing deposits on surplus funds following the Fundraise. Finance costs of £25,745 (2021: £34,592) were recognised as interest charged on a lease liability relating to the office lease.

Balance Sheet

The Company continues to retain a strong balance sheet with total Capital and Reserves at 31 December 2022 of £24,192,695 (2021: £11,663,005). As at 31 December 2022, there were 1,861,931,992 (2021: 1,405,964,855) ordinary shares in issue. The increase reflects the additional shares issued as part of the Fundraise. Additionally, a total of up to 162,840,450 (2021: 128,840,450) new ordinary shares may be issued pursuant to the exercise of share options.

The value of exploration assets increased by £7,566,359 to £9,769,477 (2021: £2,203,118) mainly reflecting commencement of Pensacola drilling operations in November 2022, offset by the Write Down.

Drilling operations continued through to February 2023 and the value of work undertaken during 2022 was £5,981,947 (2021: £1,152,403), and accordingly part of the cost of the Pensacola well will be incurred during 2023. The total net cost to Deltic of drilling the Pensacola well is £12.8 million reflecting certain additional operational requirements during drilling, weather conditions, additional testing costs, as well as market influences, including inflation and exchange rate movements.

In accordance with IAS 37, the Company recognised a provision with a corresponding asset of £1,281,000 for the planned plug and abandonment of the Pensacola well in February 2023.

The Company spent £651,022 (2021: £335,756) further progressing the Company's exploration licence portfolio, in particular the Syros Licence. This was partially offset by the Write Down recognised during the year. All costs associated with the five licences held jointly with Capricorn Energy PLC are paid in full by Capricorn Energy PLC until a well investment decision is reached.

Property, plant and equipment of £279,545 (2021: £385,240) includes a right of use asset relating to the office lease with a net book value of £188,837 (2021: £269,767). Property, Plant and Equipment reduced by £105,695 to £279,545, mainly reflecting the depreciation charge for the year on the office lease, fixtures and fittings and computer equipment.

The Company's cash position at 31 December 2022 was £20,409,692 (2021: £10,092,205) with the year-on-year increase mainly arising from the Fundraise.

Total current liabilities, which include short-term creditors, accruals, provisions and lease liabilities increased to £6,359,439 (2021: £1,030,143). Liabilities of £3,301,809 (2021: £256,860) are due to the Joint Venture partner for payments associated with Pensacola drilling operations. Other payables and accruals of £1,259,172 (2021: £197,089) mainly represent drilling value of work done but yet to be billed by the Joint Venture partner. A provision of £1,281,000 has been recognised at the year end for the costs expected to be incurred in early 2023 for the planned plug and abandonment of the Pensacola exploration well.

The Company has no debt.

Cash flow

As at 31 December 2022, the Company held cash and cash equivalents totalling £20,409,692 (2021: £10,092,205). The Company had a net cash inflow for the year of £10,317,487 (2021: outflow £1,876,653).

A net cash outflow from operating activities of £2,182,387 (2021: £1,623,057) was incurred for general and administrative costs.

Net cash of £2,509,979 (2021: £136,781) was used in investing activities including £2,557,582 (2021: £853,744) on exploration and evaluation assets. The total net cost of drilling the Pensacola well is £12.8 million of which £2,102,352 (2021: £584,355) cash was paid to the joint venture partner during 2022 and the remaining cost of the drilling operations is payable in 2023.

A further £455,230 (2021: £269,389) was spent developing the other licences in the exploration portfolio. In the prior year, £719,953 was received as proceeds, as a contribution to historic costs, from the farm-in by Capricorn Energy PLC on five Southern North Sea licences. Interest of £56,606 (2021: £2,905) was received on high interest-bearing deposits on surplus funds following the Fundraise.

The cash increase in the year is driven by the Fundraise proceeds of £15,958,850 (2021: nil) offset by £824,258 of expenses associated with the Fundraise (2021: nil).

Going concern

The Directors have assessed the Company's ability to continue as a going concern. Although the oil and gas industry faces a period of change under the current geopolitical environment, the Company does not anticipate any negative issues impacting its ability to operate as a going concern. Having raised funds in 2022 the Company is currently well funded for its existing commitments that fall due for a minimum of 12 months from signing these financial statements. The Company has no debt. Based on the cash and cash equivalents balance at year end and the Company's commitments, the Directors are of the opinion that the Company has adequate financial resources to meet its operational and drilling costs commitments, based upon anticipated drilling costs and pre-drilling work schedules, and working capital requirements, and accordingly will be able to continue and meet its liabilities as they fall due for a minimum of 12 months from the date of signing these financial statements.

Sarah McLeod

Chief Financial Officer

19 April 2023

Investing Policy

In addition to the development of the North Sea gas licences the Company has acquired to date, the Company proposes to continue to evaluate other potential oil and gas projects in line with its investing policy, as it aims to build a portfolio of resource assets and create value for shareholders. As disclosed in the Company's AIM Admission Document in May 2012, the Company's substantially implemented Investment Policy is as follows:

The proposed investments to be made by the Company may be either quoted or unquoted; made by direct acquisition or through farm-ins; either in companies, partnerships or joint ventures; or direct interests in oil & gas and mining projects. It is not intended to invest or trade in physical commodities except where such physical commodities form part of a producing asset. The Company's equity interest in a proposed investment may range from a minority position to 100% ownership.

The Board initially intends to focus on pursuing projects in the oil & gas and mining sectors, where the Directors believe that a number of opportunities exist to acquire interests in attractive projects. Particular consideration will be given to identifying investments which are, in the opinion of the Directors, underperforming, undeveloped and/or undervalued, and where the Directors believe that their expertise and experience can be deployed to facilitate growth and unlock inherent value.

The Company will conduct initial due diligence appraisals of potential projects and, where it is believed further investigation is warranted, will appoint appropriately qualified persons to assist with this process. The Directors are currently assessing various opportunities which may prove suitable although, at this stage, only preliminary due diligence has been undertaken.

It is likely that the Company's financial resources will be invested in either a small number of projects or one large investment which may be deemed to be a reverse takeover under the AIM Rules. In every case, the Directors intend to mitigate risk by undertaking the appropriate due diligence and transaction analysis. Any transaction constituting a reverse takeover under the AIM Rules will also require Shareholder approval.

Investments in early stage and exploration assets are expected to be mainly in the form of equity, with debt being raised later to fund the development of such assets. Investments in later stage projects are more likely to include an element of debt to equity gearing. Where the Company builds a portfolio of related assets, it is possible that there may be cross holdings between such assets.

The Company intends to be an involved and active investor. Accordingly, where necessary, the Company may seek participation in the management or representation on the Board of an entity in which the Company invests with a view to improving the performance and use of its assets in such ways as should result in an upward re-rating of the value of those assets.

Given the timeframe the Directors believe is required to fully maximise the value of an exploration project or early stage development asset, it is expected that the investment will be held for the medium to long term, although disposal of assets in the short term cannot be ruled out in exceptional circumstances.

The Company intends to deliver Shareholder returns principally through capital growth rather than capital distribution via dividends, although it may become appropriate to distribute funds to Shareholders once the investment portfolio matures and production revenues are established.

Given the nature of the Investing Policy, the Company does not intend to make regular periodic disclosures or calculations of its net asset value.

The Directors consider that as investments are made, and new investment opportunities arise, further funding of the Company will be required.

This strategic report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business. Whilst the Directors believe the expectation reflected herein to be reasonable in light of the information available up to the time of their approval of this report, the actual outcome may be materially different owing to factors either beyond the Company's control or otherwise within the Company's control but, for example, owing to a change of plan or strategy. Accordingly, no reliance may be placed on the forward-looking statements.

On behalf of the Board

Mark Lappin	**Graham Swindells**
Chairman	**Chief Executive Officer**
19 April 2023	19 April 2023

Qualified Person
Andrew Nunn, a Chartered Geologist and Chief Operating Officer of Deltic, is a "Qualified Person" in accordance with the Guidance Note for Mining, Oil and Gas Companies, June 2009 as updated 21 July 2019, of the London Stock Exchange. Andrew has reviewed and approved the information contained within this announcement.

Glossary of Technical Terms

PRMS:	Petroleum Resources Management System (2018)
°API	a measure of the density of crude oil, as defined by the American Petroleum Institute
Bbls	Barrels
BCF	Billion Cubic Feet
GIIP	Gas Initially In Place
Mmbbl	Million barrels
mmboe	Million barrels of oil equivalent
SCF:	Standard Cubic Feet
STOIIP	Stock Tank Oil Initially In Place

STOIIP	Stock-Tank Oil Initially In Place
TCF	Trillion Cubic Feet
Prospective Resources	Are estimated volumes associated with undiscovered accumulations. These represent quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from oil and gas deposits identified on the basis of indirect evidence but which have not yet been drilled.
Chance of Success (GCoS)	for prospective resources, means the chance or probability of discovering hydrocarbons in sufficient quantity for them to be tested to the surface. This, then, is the chance or probability of the prospective resource maturing into a contingent resource. Prospective resources have both an associated chance of discovery (geological chance of success) and a chance of development (economic, regulatory, market and facility, corporate commitment and political risks). The chance of commerciality is the product of these two risk components. These estimates have been risked for chance of discovery but not for chance of development.
Estimated Ultimate Recovery ('EUR')	Estimated Ultimate Recovery is defined as those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from an accumulation, plus those quantities already produced therefrom.
P90 resource	reflects a volume estimate that, assuming the accumulation is developed, there is a 90% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a low estimate of resource.
P50 resource	reflects a volume estimate that, assuming the accumulation is developed, there is a 50% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a median or best case estimate of resource.
P10 resource	reflects a volume estimate that, assuming the accumulation is developed, there is a 10% probability that the quantities actually recovered will equal or exceed the estimate. This is therefore a high estimate of resource.
Pmean	is the mean of the probability distribution for the resource estimates. This is often not the same as P50 as the distribution can be skewed by high resource numbers with relatively low probabilities.

The GIIP volumes, Estimated Ultimate Recovery and Prospective Resources have been presented in accordance with the 2018 Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE), reviewed, and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE).

Income Statement
for the year ended 31 December 2022

	Notes	2022	2021
Continuing operations		£	£
Administrative expenses:			
Write down on relinquished intangible assets	3	(347,610)	(288,551)
Other administrative expenses		(2,745,350)	(1,912,987)
Total administrative expenses		(3,092,960)	(2,201,538)

Total administrative expenses		(3,092,960)	(2,201,538)
Other operating income	3	-	298,173
Operating loss		(3,092,960)	(1,903,365)
Finance income		129,301	2,905
Finance costs		(25,745)	(34,592)
Loss before tax		(2,989,404)	(1,935,052)
Income tax expense		-	-
Loss for the year		(2,989,404)	(1,935,052)
Loss per share from continuing operations expressed in pence per share:			
Basic	2	(0.20)p	(0.14)p

Statement of Comprehensive Income

for the year ended 31 December 2022

	2022 £	2021 £
Loss for the year	(2,989,404)	(1,935,052)
Other comprehensive income	-	-
Total comprehensive expense for the year attributable to the equity holders of the Company	(2,989,404)	(1,935,052)

Balance Sheet

as at 31 December 2022

	Notes	2022 £	2021 £
Assets			
Non-current assets			
Intangible assets	3	9,769,477	2,203,118
Property, plant and equipment	4	279,545	385,240
Other receivables		37,422	37,422
Total non-current assets		10,086,444	2,625,780
Current assets			
Trade and other receivables		181,102	190,398
Cash and cash equivalents		20,409,692	10,092,205
Total current assets		20,590,794	10,282,603
Total assets		30,677,238	12,908,383
Capital and reserves attributable to the equity holders of the Company			
Shareholders' equity			
Share capital		9,309,660	7,029,824
Share premium		33,150,786	20,296,030
Share-based payment reserve		1,535,202	1,150,700
Accumulated retained deficit		(19,802,953)	(16,813,549)
Total equity		24,192,695	11,663,005
Liabilities			
Current liabilities			
Trade and other payables		4,988,307	931,148
Lease liabilities		90,132	98,995
Provisions		1,281,000	-
Total current liabilities		6,359,439	1,030,143
Non-current liabilities			
Lease liabilities		125,104	215,235

Total non-current liabilities	125,104	215,235
Total liabilities	6,484,543	1,245,378
Total equity and liabilities	30,677,238	12,908,383

Statement of Changes in Equity

for the year ended 31 December 2022

	Share capital	Share premium	Share-based payment reserve	Accumulated retained deficit	Total equity
	£	£	£	£	£
Balance at 1 January 2022	7,029,824	20,296,030	1,150,700	(16,813,549)	11,663,005
Comprehensive income for the year					
Loss for the year	-	-	-	(2,989,404)	(2,989,404)
Total comprehensive loss for the year	-	-	-	(2,989,404)	(2,989,404)
Contributions by and distributions to owners					
Issue of shares	2,279,836	13,679,014	-	-	15,958,850
Costs of share issue	-	(824,258)	-	-	(824,258)
Share-based payment	-	-	384,502	-	384,502
Total contributions by and distributions to owners	2,279,836	12,854,756	384,502	-	15,519,094
Balance at 31 December 2022	9,309,660	33,150,786	1,535,202	(19,802,953)	24,192,695
Balance at 1 January 2021	7,029,824	20,296,030	990,378	(14,878,497)	13,437,735
Comprehensive income for the year					
Loss for the year	-	-	-	(1,935,052)	(1,935,052)
Total comprehensive loss for the year	-	-	-	(1,935,052)	(1,935,052)
Contributions by and distributions to owners					
Share-based payment	-	-	160,322	-	160,322
Total contributions by and distributions to owners	-	-	160,322	-	160,322
Balance at 31 December 2021	7,029,824	20,296,030	1,150,700	(16,813,549)	11,663,005

Statement of Cash Flows

for the year ended 31 December 2022

	2022	2021
	£	£
Cash flows from operating activities		
Loss before tax	(2,989,404)	(1,935,052)
Finance income	(129,301)	(2,905)
Finance costs	25,745	34,592
Gain from farm-out of licence interest	-	(298,173)
Depreciation	114,698	115,355
Amortisation	-	5,625
Loss on disposal of property, plant and equipment	-	1,842
Write down on relinquished intangible assets	347,610	288,551
Share-based payment	384,502	160,322
	(2,246,150)	(1,629,843)
Decrease/(increase) in other receivables	81,991	(136,511)
(Decrease)/increase in trade and other payables	(18,228)	143,297
Net cash outflow from operating activities	(2,182,387)	(1,623,057)
Cash flows from investing activities		
Purchase of intangible assets	(2,557,582)	(853,744)
Purchase of property, plant and equipment	(9,003)	(5,895)
Proceeds from exploration licence farm-in	-	719,953
Interest received	56,606	2,905
Net cash outflow from investing activities	(2,509,979)	(136,781)
Cash flows from financing activities		
Proceeds from share issue	15,958,850	-
Expense of share issue	(824,258)	-
Payment of principal portion of lease liabilities	(98,994)	(82,223)
Lease interest paid	(25,745)	(34,592)

Net cash inflow / (outflow) from financing activities	15,009,853	(116,815)
Increase / (decrease) in cash and cash equivalents	10,317,487	(1,876,653)
Cash and cash equivalents at beginning of year	10,092,205	11,968,858
Cash and cash equivalents at end of year	20,409,692	10,092,205

Cash and cash equivalents comprise the following items:

	2022 £	**2021** £
Cash at bank and in hand	2,909,692	10,092,205
Short term bank deposits	17,500,000	-
	20,409,692	10,092,205

Notes to the Financial Statements

for the year ended 31 December 2022

1. Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with UK adopted International Accounting Standards ('IAS') and with those parts of the Companies Act 2006 applicable to companies reporting under International Accounting Standards ('IAS').

The preparation of financial statements in conformity with IAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and factors that are believed to be reasonable under the circumstance, the result of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from this estimate. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed later in this note.

Operating loss is stated after charging and crediting all items excluding finance income and expenses.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of revision and future periods if the revision affects both current and future periods.

Going concern

The Directors have assessed the Company's ability to continue as a going concern. Although the oil and gas industry faces a period of change under the current geopolitical environment, the Company does not anticipate any negative issues impacting its ability to operate as a going concern. Having raised funds in 2022 the Company is currently well funded for its existing commitments that fall due for a minimum of 12 months from signing these financial statements. The Company has no debt. Based on the cash and cash equivalents balance at year end and the Company's commitments, the Directors are of the opinion that the Company has adequate financial resources to meet its operational and drilling costs commitments, based upon anticipated drilling costs and pre-drilling work schedules, and working capital requirements, and accordingly will be able to continue and meet its liabilities as they fall due for a minimum of 12 months from the date of signing these financial statements.

2. Loss per Share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Due to the losses incurred during the year, a diluted loss per share has not been calculated as this would serve to reduce the basic loss per share. There were 162,840,450 (2021: 128,840,450) share options outstanding at the end of the year that could potentially dilute basic earnings per share in the future.

Basic and diluted loss per share

	2022	**2021**
Loss per share from continuing operations	(0.20)p	(0.14)p

The loss and weighted average number of ordinary shares used in the calculation of loss per share are as follows:

	2022 £	2021 £
Loss used in the calculation of total basic loss per share	(2,989,404)	(1,935,052)

Number of shares	2022 Number	2021 Number
Weighted average number of ordinary shares for the purposes of basic loss per share	1,518,395,110	1,405,964,855

3. Intangible Assets

	Exploration & evaluation assets £	Software licences £	Total £
Cost			
At 1 January 2021	1,425,290	39,257	1,464,547
Additions	1,488,159	-	1,488,159
Farm-out of licence	(421,780)	-	(421,780)
Write down on relinquished assets	(288,551)	-	(288,551)
At 31 December 2021	2,203,118	39,257	2,242,375
Additions	7,913,969	-	7,913,969
Write down on relinquished assets	(347,610)	-	(347,610)
At 31 December 2022	9,769,477	39,257	9,808,734
Amortisation and impairment			
At 1 January 2021	-	33,632	33,632
Charge for the year	-	5,625	5,625
At 31 December 2021	-	39,257	39,257
Charge for the year	-	-	-
At 31 December 2022	-	39,257	39,257
Net Book Value			
At 31 December 2022	9,769,477	-	9,769,477
At 31 December 2021	2,203,118	-	2,203,118
At 1 January 2021	1,425,290	5,625	1,430,915

The net book value of exploration and evaluation assets at 31 December 2022 and 2021 relates solely to the Company's North Sea Licences.

Additions of £7,913,969 (2021: £1,488,159) differ to the cash flows in the Statement of Cash Flows owing to an increase in trade and other payables of £3,052,066 (2021: £634,415) and an increase in provisions of £1,281,000 (2021: £nil) relating to the plug and abandonment of the Pensacola exploration well that was completed in February 2023.

A charge of £347,610 was recognised during the year (2021: £nil) resulting from the write down on relinquished intangible assets following the decision to relinquish Licence P2435 (Blackadder) and Licence P2537 (Dewar).

A charge of £nil (2021: £288,551) was recognised resulting from the write down on relinquished intangible assets following the decision to relinquish Licences P2384 (Manhattan Prospect) and P2424 (Cortez Prospect).

During the prior year, aggregate cash proceeds arising from the farm-out of five Licences (P2428, P2567, P2560, P2561 and P2562) to Capricorn amounted to £719,953. An amount of £421,780 was deducted from exploration and evaluation assets, being the previously capitalised expenditure relating to that licence. The surplus of the proceeds over the carrying value amounted to £298,173 and was recognised as a gain on disposal of the partial interest and included as other operating income in the Income Statement for 2021.

4. Property, Plant and Equipment

	Leasehold improvements £	Office lease £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 January 2021	86,452	404,650	42,662	37,920	571,684
Additions	1,317	-	3,138	1,440	5,895
Disposals	-	-	-	(4,121)	(4,121)
At 31 December 2021	87,769	404,650	45,800	35,239	573,458
Additions	3,931	-	-	5,072	9,003
At 31 December 2022	91,700	404,650	45,800	40,311	582,461
Depreciation					
At 1 January 2021	7,583	53,953	3,095	10,511	75,142
Charge for year	18,344	80,930	6,663	9,418	115,355
Disposals	-	-	-	(2,279)	(2,279)
At 31 December 2021	25,927	134,883	9,758	17,650	188,218
Charge for year	18,901	80,930	6,870	7,997	114,698
At 31 December 2022	44,828	215,813	16,628	25,647	302,916
Net Book Value					
At 31 December 2022	46,872	188,837	29,172	14,664	279,545
At 31 December 2021	61,842	269,767	36,042	17,589	385,240
At 1 January 2021	78,869	350,697	39,567	27,409	496,542

The office lease category reflects a right of use asset relating to the office premises occupied by the Company.