

13 September 2023

IOG plc

Operational & Corporate Update

IOG plc ("IOG", or "the Company"), (AIM: IOG.L) provides an operational and corporate update.

Operations

- Blythe H2 well Operating Efficiency was 96.9% in August 2023 (2023 YTD: 94.4%)
- H2 gas rate declined from 27.7 mmscf/d to 21.2 mmscf/d over the month
 - No formation water production
 - Initial production data indicates connected gas volumes in line with expectations
- One-week planned Bacton terminal shutdown successfully completed in early August, resulting in:
 - Production Efficiency for the month of 77.5% (2023 YTD: 82.4%)
 - Average gross realised gas rate of 17.8 mmscf/d (2023 YTD: 15.7 mmscf/d)
- Average realised gas price for August 2023 was 85.1 p/therm (2023 YTD: 107.5 p/therm)
- Planning underway for a Blythe H1 production trial to assess a sustainable gas rate and associated water rate, with a view to potential low-cost production enhancement

Portfolio

- Portfolio pre-development work continues to focus primarily on conventional discovered gas opportunities in the Southern and Central Clusters
- The North Sea Transition Authority (NSTA) has informed the JV that it is not minded to extend the Nailsworth P2342 and P130 licences beyond their current expiry dates
 - As such, these licences will expire on 30 September 2023 and 31 December 2023 respectively, with no impact on IOG's net 2P reserves
 - This is likely to impact the commercial potential of licence P039 (Elland)
 - Nailsworth and Elland are both unconventional (tight gas) fields which have been undergoing technical re-evaluation following the Southwark A2 well

Corporate

- Active bondholder discussions on near-term liquidity and longer-term capital structure solutions continue under the current bond waiver which remains in place up to 29 September 2023
- Cash balance at 31 August 2023 of £14.5m, of which £7.3m is restricted

Change of Name of Nominated Adviser and Broker

The Company also announces that its Nominated Adviser and joint Broker has changed its name to Cavendish Capital Markets Limited following completion of its own corporate merger.

Rupert Newall, CEO, commented:

"August saw stable production at the Blythe H2 well, with 97% Operating Efficiency and the Bacton shutdown works successfully completed early in the month. However, with H2 production seeing natural decline and realised day-ahead gas prices remaining far below last year's levels, the Company's financial position remains challenging. We continue to engage actively with bondholders and their advisors on this under the current waiver to 29 September and will update on further progress as appropriate.

With the gas winter starting next month, the team are working on options to maximise production while managing

costs, including a production trial on the Blythe H1 well. Whilst we are now primarily focused on conventional assets, we have been informed that our request to extend the unconventional Nailsworth licences will not be approved, which is also likely to impact the commerciality of Elland."

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 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.

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