



7 November 2023

Orcadian Energy plc
("Orcadian Energy", "Orcadian" or the "Company")

Annual Licensing Rounds

Orcadian is pleased to note the recent press release from the Government of the United Kingdom that they intend to legislate to require the North Sea Transition Authority (NSTA) to invite applications for new oil and gas production licenses on an annual basis, subject to certain key conditions being met^[1]. The key conditions relate to the balance of trade in hydrocarbons and emissions intensity of gas production relative to LNG imports.

As announced on 19 January 2023, the Company made three licence applications in the 33^d Oil and Gas Licensing Round, two in partnership with other companies and one on its own. The NSTA announced the award of 27 licences in a first batch of awards, from 115 applications, with 6 more blocks, which were ready to be offered, merged into five existing licences^[2]. NSTA notes that all applications have been through the initial Habitat Regulation Assessment and the blocks awarded to date have been identified as not requiring further assessment. A decision on the other blocks will be made once the Habitat Regulation Assessment Further Appropriate Assessment process has been completed. Orcadian can confirm that no other company was awarded the blocks applied for by Orcadian, and that the Directors remain optimistic that the Company's applications will be successful.

Steve Brown, Orcadian's CEO, said:

"We are delighted to hear that the Government intends to legislate for annual oil and gas licensing rounds. We believe this puts a lid on the tired argument that domestic oil and gas production is inconsistent with our climate commitments."

"We believe new projects are the key to reducing the UK's emissions from producing the oil and gas that is needed for a secure transition. The NSTA sets industry stringent hurdles to be cleared before new projects can progress."

"In a world of flattening oil and gas demand, we believe it is imperative that we refresh the global oil supply with low emission barrels rather than prolonging the life of tired reservoirs with high emissions."

"Those who call for no new oil are calling for higher emissions, fewer jobs for UK workers, energy insecurity and seek to hammer ordinary folk with higher energy prices."

For further information on the Company please visit the Company's website: <https://orcadian.energy>

Contact:

Orcadian Energy plc

+ 44 20 7920 3150

Steve Brown, CEO
Alan Hume, CFO

+44 207 220 1666

WH Ireland Limited
Katy Mitchell/Andrew de Andrade

Tavistock (PR)
Nick Elwes / Simon Hudson

+ 44 20 7920 3150
orcadian@tavistock.co.uk

About Orcadian Energy

Orcadian is a North Sea focused, low emissions, oil and gas development company. In planning its Pilot development, Orcadian has selected wind power to transform oil production into a cleaner and greener process. The Pilot project is moving towards approval and will be amongst the lowest carbon emitting oil production facilities in the world, despite being a viscous crude. Orcadian may be a small operator, but it is also nimble, and the Directors believe it has grasped opportunities that have eluded some of the much bigger companies. As we strike a balance between Net Zero and a sustainable energy supply, Orcadian intends to play its part to minimise the cost of Net Zero and to deliver reliable energy to the UK.

Orcadian Energy (CNS) Ltd, Orcadian's operating subsidiary, was founded in 2014 and is the sole licensee of P2244, which contains 78.0 MMbbl of 2P Reserves in the Pilot discovery, and of P2482, which contain a further 52.2 MMbbl of 2C Contingent Resources in the Elke and Narwhal discoveries (as audited by Sproule, with both numbers modified to take into account the TGS royalty, see the CPR in the Company's Admission Document for more details). Within these licences there are also 118 MMbbl of unrisks Prospective Resources (modified for TGS royalty). These licences are in blocks 21/27a, 28/2a and 28/3a, and lie 150 kms due East of Aberdeen.

Pilot, which is the field with the largest reserves in Orcadian's portfolio, was discovered by PetroFina in 1989 and has been well appraised. In total five wells and two sidetracks were drilled on Pilot, including a relatively short horizontal well which produced over 1,800 bbls/day on test. Orcadian's proposed low emissions, field development plan for Pilot is based upon a Floating Production Storage and Offloading vessel (FPSO), with over thirty wells to be drilled by a Jack-up rig and provision of power from a floating wind turbine.

Orcadian has entered into a non-binding heads of terms with a North Sea Operator which details the terms under which the Operator will farm-in to the Pilot development project. If this deal was to complete Orcadian would have an 18.75% stake in the Pilot development with all pre-first oil development costs paid by the North Sea Operator (see announcement dated 18 September 2023 for more details).

Emissions per barrel produced are expected to be about a tenth of the 2021 North Sea average, and less than half of the lowest emitting oil facility currently operating on the UKCS. On a global basis this places the Pilot field emissions at the low end of the lowest 5% of global oil production.

[1] www.gov.uk/government/news/new-opportunities-for-north-sea-oil-and-gas

[2] www.nstauthority.co.uk/news-publications/27-licences-offered-in-first-batch-of-33rd-oil-and-gas-licensing-round/

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

