

Enteq Technologies plc
("Enteq", the "Company" or the "Group")

SABER Tool - Update

Enteq Technologies plc (AIM:NTQ.L), the specialist energy services engineering and technology company, is pleased to provide an update on the progress of the SABER Tool (Steer-At-Bit Enteq Rotary) technology.

Commercialisation highlights:

- The Company has a customer contract in place, as previously announced, which includes a first phase of customer testing. Customer testing, in Australia, is expected to commence in this financial year to 31 March 2024 (FY24). A purchase order has been received and US\$100,000 is expected from the customer in H1FY25 for future commercial services. Commercial services in FY25 would commence following successful customer testing. An advanced shipment of SABER equipment (all heavy equipment for the initial kit) to Australia has left Enteq's facility in Houston.
- The build programme for further equipment is progressing as planned.

Technical progress:

- The recently recruited Engineering Director has consolidated performance and production improvements.
- Further flow loop testing at an independent facility in Houston simulating typical drilling conditions validated design and performance specifications.

Market introduction:

- A customer technology demonstration coupled with follow-up downhole drilling testing programme, at the Catoosa, USA test site, has been scheduled before the end of March 2024.
- Customers have been invited to witness the SABER technology being deployed in active drilling conditions.
- Introduction of new branding and website refresh.

Background:

Enteq has a track record of developing and commercialising technical equipment in a drilling environment for oil, gas, geothermal and now also energy transition. SABER commercialisation is the primary focus for the Company and provides a novel approach to steering the bit while drilling the well; it is an alternative to existing Rotary Steerable Systems (RSS).

The SABER Tool is based on a concept originally developed by Shell, where rather than using pads or pistons to create steering forces, the SABER Tool uses an internally directed fluid pressure differential system. By removing these external contact points, the SABER Tool achieves true at-bit steering for the first time and the mechanically simple design gives the potential to improve reliability and project uptime versus conventional RSS solutions.

Enteq has the exclusive global license for this novel rotary steerable technology and IP from Shell. Enteq has developed and refined the concept, generating additional protected IP. Following successful field testing, the SABER Tool is now shortly commencing customer testing, and is being readied for commercial deployment.

The global RSS market is worth approximately US\$3.6 billion annually according to a recent 2023 report from Spears. The SABER Tool has the potential to drive operational efficiency across the world's directional drilling applications, including hydrocarbon production, geothermal energy, methane capture and CCS (carbon capture and storage). Enteq will provide the SABER Tool to customers through a service arrangement or equipment purchase, providing independent and regional directional drilling companies more opportunity to compete with major integrated service companies which have to date dominated this segment.

Andrew Law, CEO of Enteq, commented:

"We are pleased with the commercial and technical progress that has been made with SABER. It is very rewarding to have the support and initial financial commitment from our Australian customer who has been involved with the progression of SABER for some time; we look forward to supporting this customer.

The team at Enteq have been working diligently to deliver a quality product. The recent flow loop testing has further increased confidence in the next series of tools which are currently in build for future deployment. This is another positive step along the road to full commercialisation of the SABER technology in a market that has a demand for this strong alternative method of steering while drilling."

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