

**12 February 2024**

**Block Energy plc**

("Block" or the "Company")

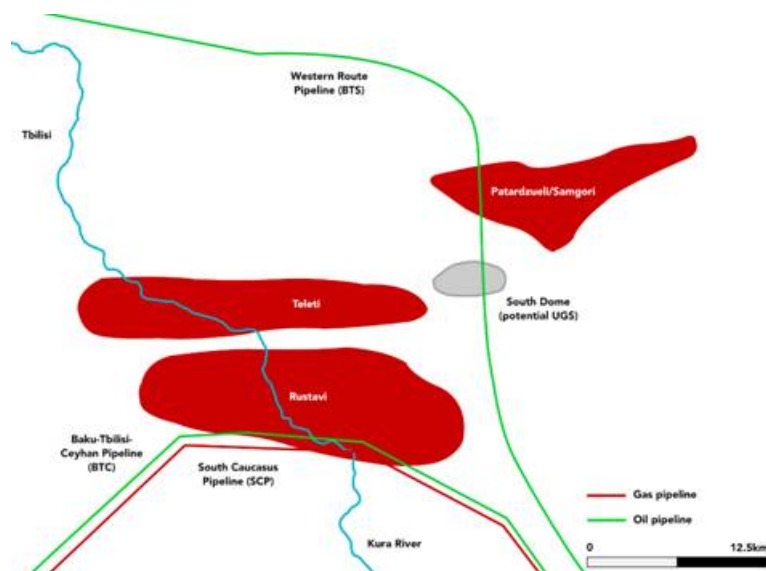
**Project III Farm-Out Process Commences**

Block Energy plc, the development and production company focused on Georgia, is pleased to announce it has launched the farm-out process for Project III, targeting the development of a gas resource of strategic significance to the Georgian state through the appointment of LAB Energy Advisors Limited ("LAB Energy"), a leading independent energy advisory company.

The appointment follows last week's announcement of an Independent Engineering Report ("IER"), which ascribed over 1 TCF of 2C Contingent Gas Resource to the Project's Patardzueli-Samgori field, and a project Net Present Value of more than USD 500 million.

**Project III Farm Out**

Project III is a material opportunity for the appraisal and development of significant gas resources located close to the Southern Caucasus Pipeline ("SCP") connected to international markets and local infrastructure and markets within the greater Tbilisi area.



The initiation of the farm-out process follows two years of technical and commercial work by Block to define the Project's gas resource, which the Ministry of Economy and Sustainability of the Republic of Georgia has declared of strategic significance for meeting the urgent demand for energy required by Georgia's fast-growing economy.

Project III also offers potential for a commercial Carbon Capture and Storage ("CCS") opportunity within the Patardzueli-Samgori Middle Eocene reservoir, which an independent report indicates as having a mid-case capacity of 151.5 million tonnes of carbon dioxide. The reservoir's rocks would allow for the application of low-cost, high-impact CCS technologies already in commercial use in Iceland. The project, which has potential to establish a major net-zero hub in central Georgia, underlines Block's commitment to sustainability.

**Appointment of LAB Energy**

The Company believes the appointment of an independent advisor will ensure the Project's potential is marketed effectively to a wide range of prospective partners, offering the best prospect of securing an optimal deal for shareholders.

LAB Energy is a UK-based energy sector advisory company with a proven record in facilitating upstream transactions across the European onshore market, encompassing traditional oil and gas companies, transitional energy and clean-tech players.

**Commenting, Paul Haywood, Block Energy Chief Executive Officer, said:**

"The appointment of LAB Energy marks the beginning of the anticipated farm-out process of Project III, signalling our commitment to deliver a high-value strategy with near-term impact. We're excited to get the process underway and look forward to updating our shareholders in due course."

**\*\*ENDS\*\***

*Stephen James BSc MBA, PhD (Block's Subsurface Manager) has reviewed the reserve, resource and production information contained in this announcement. Dr James is a geoscientist with over 40 years of experience in field development and reservoir management.*

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#### Notes to editors

Block Energy plc is an AIM-listed independent oil and gas production and development company with a strategic focus on unlocking the energy potential of Georgia. With interests in seven Production Sharing Contracts in central Georgia, covering an area of 4,256 km<sup>2</sup>, including the XIB licence which has over 1TCF of 2C contingent gas resources in the Patardzueli and Samgori fields. (Source: IER, OPC 2024).

The Company has structured its operations around a four-project strategy. These projects, characterized by development stage, hydrocarbon type, and reservoir, are pursued concurrently to achieve multiple objectives. This includes increasing existing production, redeveloping fields, discovering new oil and gas deposits, and capitalizing on the substantial, yet untapped, gas resource across its licences. The goal is to deliver on multi TCF gas assets, strategically well located for the key EU market, supported by partner funding and cash from existing producing assets.

Located near the Georgian capital of Tbilisi, Block Energy is well-positioned to contribute significantly to the region's energy landscape. This proximity facilitates seamless operations and underscores our commitment to the economic and energy development of Georgia.

#### Glossary

- bbls: barrels. A barrel is 35 imperial gallons.
- Bcf: billion cubic feet.
- boe: barrels of oil equivalent.
- boepd: barrels of oil equivalent per day.
- bopd: barrels of oil per day.
- Mbbls: thousand barrels.
- Mboe: thousand barrels of oil equivalent.
- Mcf: thousand cubic feet.
- MD: measured depth.
- MMbbls: million barrels.
- MMboe: million barrels of oil equivalent.
- MMcf: million cubic feet.

· TVD: True Vertical Depth.

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