

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

23 July 2024



**Deltic Energy Plc ("Deltic" or "the Company")
Selene Drilling Operations - Rig Mobilisation**

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 that the Valaris 123 drilling unit has been mobilised and is on route to the Selene well location.

Shell UK Ltd ("Shell"), in its role as Operator of Licence P2437, has informed Deltic that the Valaris 123 drilling unit was mobilised on 21 July from its current location in the Central North Sea, and is anticipated to arrive at the Selene well location in the Southern North Sea shortly, depending on weather conditions encountered during transit. Drilling operations are expected to commence shortly thereafter, with planned operations lasting approximately 90 days. The Company will make a further announcement once drilling has commenced.

The well is designed to collect all key information in relation to reservoir quality and gas composition that is required to support, assuming a successful drilling outcome, a field development plan and final investment decision on the potential development of the Selene gas field without the requirement for a further appraisal well. The Joint Venture has therefore determined there is no requirement for a full well test as part of that process and, in line with normal oilfield practice, the well will accordingly be plugged and abandoned on completion.

Deltic estimates the Selene structure to contain gross P50 prospective resources of 318 BCF (P90-P10 Range of 132-581 BCF with GCoS of 69%) in the Leman Sandstone reservoir, which is the key reservoir interval in all adjacent gas fields including Barque, Clipper and West Sole.

Following farm-outs to Shell in 2019 and Dana Petroleum (E&P) Limited ("Dana") in February 2024, Deltic is fully carried for its 25% working interest in the Selene well up to a gross success case well cost of USD\$49M, which is in excess of the Operator's success case well Authorisation for Expenditure of USD\$47M.

Graham Swindells, CEO of Deltic, commented:

"We are excited to be commencing drilling operations on Selene with our partners Shell and Dana, and for which we are fully carried for the estimated success case cost. This will be the first exploration well spudded on the UKCS in 2024 and is an equally important milestone for Deltic. The Selene prospect is a high impact infrastructure-led exploration opportunity which demonstrates the strength and depth of the portfolio that we have built over the last few years, and which we estimate to be worth multiples of the Company's current market value. Despite ongoing political uncertainty, we look forward to commencing operations and continue to believe exploration on the UKCS has a hugely important role to play in supporting the provision of energy security, vital jobs within the energy sector and offsetting higher carbon intensity imported energy."

****ENDS****

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Reporting Standard

Estimates of resources have been prepared in accordance with the PRMS as the standard for classification and reporting.

Qualified Person's Review

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

BCF:	Billion Cubic Feet
Geological Chance of Success (GCoS):	or 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.
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.
PRMS:	the June 2018 Society of Petroleum Engineers ("SPE") Petroleum Resources Management System
Prospective Resources:	are estimated volumes associated with

	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
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