

**Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the UK Market Abuse Regulation. With the publication of this announcement, this information is now considered to be in the public domain.**

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

21 October 2024



**Deltic Energy Plc ("Deltic" or "the Company")  
Operational and Strategic Update  
Non-Executive Board Change  
Change of Broker**

[Deltic Energy Plc](#), the AIM quoted natural resources investing company, provides the following strategic, operational and organisational update:

**Strategic Evolution**

For the last decade, Deltic has invested in its UK portfolio and achieved material exploration success despite the well-publicised political and fiscal headwinds that have hampered the UK's oil and gas industry in recent years. It is clear that, while this situation persists, the UK is not the ideal place in which to invest in new oil and gas exploration or appraisal opportunities. Therefore, the Board has carefully considered the best way to leverage the Company's international experience and expertise to create value for shareholders going forward.

Over the next 12 months, Deltic's strategic focus will be on:

- Extraction of value from its existing core UK assets, principally the Selene prospect, while eliminating or deferring expenditure on non-core UK assets
- Leveraging the Company's core subsurface skill sets, which have been deployed successfully across a range of international territories historically, to identify and access opportunities in overseas arenas with an initial focus on projects with early cash flows and faster cycle times from entry to value crystallisation
- High-impact exploration will always be an integral part of Deltic's DNA, and the Company will continue to selectively pursue these types of opportunities which could provide significant upside for shareholders in the medium to longer term

**Non-Executive Board Change**

Peter Cowley has agreed to step down from the Board of Deltic with immediate effect and leaves with the Board's best wishes. There are no plans to recruit a replacement for Peter in the shorter term and the Company will continue with Mark Lappin and Peter Nicol as its independent non-executive directors while it works through this strategic transition.

**Drilling Operations - Selene Exploration Well**

Well operations continue on the high-impact Selene exploration well. The Shell operated well reached its total target depth of 3540 metres on 17 October 2024 and encountered a 160 metre thick section of Leman Sandstone with gas present throughout.

While initial observations are clearly encouraging, Deltic will need to wait on further results from the logging and fluid sampling operations before providing a comprehensive update in due course.

Deltic has a 25% working interest in the Selene licence which is located in the heart of the long-established Leman Sandstone gas play in the Southern North Sea. In a success case, the intention would be to proceed directly to field development planning as further appraisal drilling is not considered to be necessary to support a future development investment decision.

**Blackadder Licence P2672 - Farm-out Interest**

Given the positive read across from Selene to the Blackadder prospect, Deltic has been in receipt of farm-in interest in the licence from a number of companies. The Company will look to capitalise on this third-party interest to materially reduce or eliminate its cost exposure to the forward work programme on this licence. To allow time for these discussions to mature, Deltic intends to defer the commencement of planned work programmes until at least mid-2025, minimising any near-term expenditure.

**Syros Licence P2542 - Central North Sea**

Despite the excellent technical work completed by the Deltic team which significantly de-risked the Syros prospect, the

Despite the excellent technical work completed by the Deltic team, which significantly advanced the 5,000 prospect, the ongoing political and fiscal uncertainty has prevented a number of parties that participated in the farm-out process from moving forward with a transaction. Deltic has requested a 12-month extension from the NSTA to Phase A to allow a period of stability post the October budget in which Deltic could re-engage with those interested parties. However, the NSTA has indicated it is not minded to support the request and therefore it is likely this licence will now expire on 30 November 2024.

#### **Dewar Licence P2646 - Central North Sea**

Given the continuing deterioration of the fiscal and operating environment in the UK since this licence was awarded in February 2024, Deltic has entered into negotiations with the NSTA in relation to the Phase A work programme requirements on Licence P2646. Deltic does not intend to incur any of the planned costs associated with the Phase A work programme in 2025.

#### **Change of Broker Arrangements**

In recognition of the situation in which the Company currently finds itself, Deltic has reviewed the full range of advisory services it utilises, including its broker arrangements. Going forwards, Canaccord will assume the role of sole broker for the company. Allenby Capital will continue in its role of Nominated Advisor.

#### **Andrew Nunn, CEO, commented:**

*"First of all, I would like to thank Peter Cowley for his Board contributions and support over the years. We wish him all the best in his future endeavours.*

*Our immediate focus is the ongoing Selene exploration well, where initial drilling indications are encouraging. I look forward to updating the market on the progress of this highly material well.*

*The Board has considered the best way to deploy the Company's experience and expertise to create value for its shareholders. As always, the balance of geological, operational and political risk must be considered and we are actively assessing a number of attractive opportunities in geographies where more supportive policies towards oil and gas development exist.*

*The key changes we have announced today, in addition to a raft of other less significant changes, will have an immediate and material impact on the Company's operational expenditure and are expected to result in savings of 40% compared to costs previously budgeted by management for 2025. These savings are key to extending the time period in which to identify and incubate those new opportunities that we believe will help towards stabilising the business and providing a platform for future growth supporting our objective of creating positive returns for shareholders."*

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

For further information please contact the following:

#### **Deltic Energy Plc**

**Andrew Nunn / Sarah McLeod**

**Tel: +44 (0) 20 7887 2630**

#### **Allenby Capital Limited (Nominated Adviser)**

**David Hart / Alex Brearley (Corporate Finance)**

**Tel: +44 (0) 20 3328 5656**

#### **Canaccord Genuity Limited (Broker)**

**Adam James / Charlie Hammond**

**Tel: +44 (0) 20 7523 8000**

#### **Vigo Consulting (IR Adviser)**

**Patrick d'Ancona / Finlay Thomson / Kendall Hill**

**Tel: +44 (0) 20 7390 0230**

#### **Qualified Person Review**

Andrew Nunn, a Chartered Geologist and Chief Executive 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.

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 [rns@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.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

UPDEAAEAFSLFFA