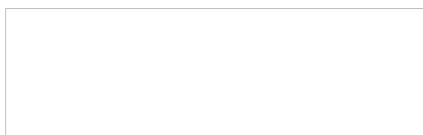


Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the UK Market Abuse Regulation. With the publication of this announcement, this information is now considered to be in the public domain.

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

31 October 2024



**Deltic Energy Plc ("Deltic" or "the Company")
Selene Gas Discovery**

Deltic Energy Plc, the AIM quoted natural resources investing company, is pleased to provide the following update in relation to recent drilling operations at the Selene prospect in the UK Southern North Sea:

Selene Discovery Confirmed

The Shell operated 48/8b-3Z well reached its total depth of 3,540 metres TVDSS on 17 October 2024 and proved a 160 metre thick section of Leman Sandstone. The top of the Leman Sandstone was encountered approximately 70 metres deep to prognosis with elevated mud gas readings, confirming the presence of gas, observed throughout the reservoir interval and into the underlying Carboniferous basement.

Subsequent wireline logging and fluid sampling have confirmed the presence of a live gas column above a gas-water contact at c. 3,370 metres which is in the middle of the B-Sand, the key producing interval within the overall Leman Sandstone section. Updated post-well structural maps of the Selene prospect point towards a maximum gas column of c. 100 metres.

Initial indications point towards a high-quality dry gas, typical of production from adjacent fields, with no reported H₂S.

Updated Volumetric Estimates

Based on the preliminary information available from the wellsite, Deltic has updated its volumetric model of the Selene discovery and now estimates Selene to contain gross P50 estimated ultimate recoverable (or 'EUR') resources of 131 BCF (P90-P10 range of 95 to 176 BCF) which is at the lower end of pre-drill estimates.

However, the bulk of the recoverable resources are concentrated in the higher quality B-Sand up-dip from the 48/8b-3Z well location which should support a simpler and cheaper development option with greater gas production per well than was envisaged pre-discovery.

The combination of a deeper structural crest and a shallower gas water contact has resulted in reduced gas column heights across the structure. The base of the B-Sand and most of the underlying C-Sand are now believed to be in the water leg across the south-eastern part of the structure, with the deeper gas readings from the well now interpreted as residual gas rather than a live gas column.

Reservoir Quality Better than Expected

The well has confirmed that the B-Sand reservoir properties at the well location were towards the high end of the ranges predicted pre-drill. The B-Sand encountered in the well was 53 metres thick (pre-drill P50 of 47 metres) with an average porosity of 12.1% (up from 11% P50 pre-drill) and a gas saturation in-line with pre-drill expectations.

These improved reservoir characteristics are supported by a downhole test, which recovered gas samples, and indicated permeabilities in the range of 1 to 5mD above the gas-water contact. These porosity and permeability attributes support the use of more favourable recovery factors for the B-Sand in the updated volumetric model.

As previously indicated, this well was not designed to accommodate a conventional surface flow test and all of the reservoir data required to support a potential future development plan and investment decision has been successfully acquired through this well.

Next Steps

Following demobilisation of the rig which is expected towards the end of next week, there will be a period of detailed analysis of wireline data, core samples, fluid samples and pressure testing data which will further refine the geological model, volumetric estimates and the proposed development plan.

Based on the results of the well and the data collected, Deltic believes that the JV should be well placed to progress towards field development planning and a final investment decision on a future development without requiring a further appraisal well.

In addition to Selene, Deltic will re-evaluate the Endymion prospect, located on the north-eastern corner of the block, which is another low-risk Leman Sandstone opportunity that could be tied into any future Selene development.

As the JV updates the development plan Deltic will re-assess its economic models, however pre-drill modelling indicates that volumes over 100 BCF recoverable will remain economically viable, and ultimately produce material positive cash flows for the Deltic, under the fiscal regime announced in the budget on 30 October 2024.

Andrew Nunn, CEO, commented:

'Subsurface expertise lies at the heart of the Deltic equity story and remains central to the strategic approach we recently laid out for the Company. In this context, the outcome of the Selene well is a good result overall and extends Deltic's exploration success record to two from two. Although we are predicting recoverable volumes at the lower end of pre-drill estimates, the improved quality of the B-Sand and increased resource concentration should support a simpler development with enhanced economics due to reduced CAPEX and OPEX requirements.'

'We are looking forward to engaging with Shell and Dana as we work through the customary post-well analysis and preparation of a plan which will move the Selene discovery towards development over the coming year. We continue to believe that the asset can create material value for our shareholders.'

ENDS

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Qualified Person

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.

Standard

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

Glossary of Technical Terms

BCF:	Billion Cubic Feet
Estimated Ultimate Recovery ('EUR'):	Estimated Ultimate Recovery is defined as those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from an accumulation, plus those quantities already produced therefrom.
mD or MilliDarcy	A standard unit of measure of permeability.
PRMS:	The June 2018 Society of Petroleum Engineers ("SPE") Petroleum Resources Management System
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.

	When a vertical estimate is developed, as 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.
TVDSS:	True Vertical Depth Sub-Sea

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