

26 November 2024

Block Energy plc

("Block" or the "Company")

CCS Phase 2

Block Energy plc, the production and development company focused on Georgia, is pleased to announce the start of phase 2 studies for the Company's Carbon Capture and Storage ("CCS") opportunity in licence XIB.

The studies will be undertaken in partnership with Rustavi Azot, a subsidiary of Indorama Corporation, in accordance with the previously announced [Memorandum of Understanding \("MoU"\)](#). Technical support will be provided by Oilfield Production Consultants Ltd ("OPC"), which originally defined the potential of the licence for carbon sequestration.

Phase 2 will include desktop and laboratory studies followed by a pilot injection scheme designed to achieve a monitoring and verification plan for carbon storage, allowing commercialisation of the project.

Three commercialisation options have already been identified, encompassing both the mandatory and voluntary carbon markets. Part of the study will focus on further definition of commercialisation.

The technology proposed for the storage of CO₂ in the Middle Eocene is similar to that successfully deployed by CarbFix in Iceland as well as the ongoing pilot by 44.01 in the United Arab Emirates. CO₂ will be dissolved in water and injected into the zeolite rich Middle Eocene reservoir, where it is expected that the carbon dioxide will mineralise into calcium carbonate, a process through which the majority of CO₂ would be sequestered in less than 12 months.

The project is expected to benefit from low costs facilitated by the re-use of existing field infrastructure and proximity to sources of industrial emissions. Water for the scheme will be recycled from the existing Middle Eocene aquifer, a non-potable aquifer of significant size. The extensive contribution of hydro to Georgia's electricity grid further enhances the project's environmental credentials.

Following the results of the stage 2 studies, which will include a workover and the recompletion of a Patardzueli well, Block and Rustavi Azot will work together to target the pilot injection of CO₂ into the reservoir in Q1 2025.

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

"We are excited to advance to Phase 2 studies for our CCS project in partnership with Indorama. This project represents a crucial step in our commitment to climate action and aligns with our ESEG values as we embark on developing the broader strategies across our portfolio."

We have engaged in productive discussions with interested parties concerning long-term commercialization and scalability. Now, we look forward to transforming the project from concept to reality, seeking proof of concept, around injecting CO₂ into the reservoir for permanent storage. By employing mineralization, a maturing technology, we can offer a cost-effective solution that stands apart from conventional offshore carbon storage methods."

The upcoming pilot injection and monitoring plan signify major progress toward commercialization and full-scale development. I look forward to updating shareholders on further milestones as we continue to push boundaries in low-carbon energy solutions."

Commenting, Mr. Prakash Kejriwal, Group Director, Eurasia Indorama Corporation said:

"We are pleased to partner with Block Energy to carry out this pilot project. Indorama is committed to reducing GHG and this collaboration brings an opportunity for Rustavi Azot to potentially reduce its CO₂ emission at the site by applying technology for CCS."

We look forward to the success of the pilot and moving into the commercial scale CCS."

****ENDS****

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Notes to editors

Block Energy plc is an AIM quoted 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 km², including the XIB licence which has over 2.77TCF of 2C contingent gas resources, with an estimated Net Present Value 10 ("NPV") of USD 1.65 billion, in the Patardzueli-Samgori, Rustavi and Teleti fields. (Source: IER, OPC 2024 & Internal estimates).

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.
- MMbbls: million barrels.
- MMboe: million barrels of oil equivalent.
- MMcf: million cubic feet.

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