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Orcadian Energy plc

("Orcadian" or the "Company")

Serica's acquisition of Parkmead (E&P) Ltd

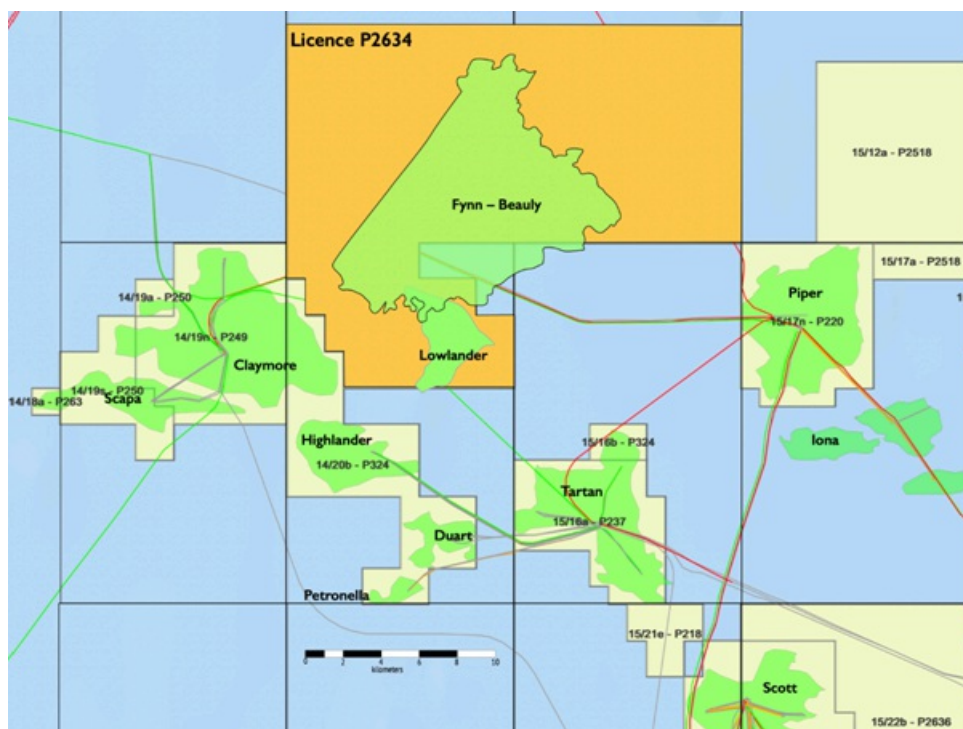
Orcadian Energy (AIM: ORCA) is pleased to note yesterday's announcements from both Serica and The Parkmead Group plc.

Steve Brown CEO of Orcadian Energy said:

"We are really pleased to hear that Serica will acquire Parkmead (E&P) Ltd and will become operator of licence P2634. Orcadian holds a 50% interest in this licence, and we welcome Serica's purchase of this very significant opportunity, which has the potential to be one of the largest remaining oil developments in the North Sea."

Fynn Licence P2634

The licence contains a very substantial viscous and heavy oil discovery which has a gross P50 contingent recoverable resource of 292 MMbbl, based upon the latest operator estimates.



The Fynn licence is situated in the Outer Moray Firth and comprises blocks 14/15a, 14/20d and 15/11a. Orcadian (50% interest) together with the licence operator Parkmead (50% interest), will leverage expertise gained in developing viscous crudes to work towards commercialisation of Fynn Beaulieu, which is one of the UK's largest undeveloped discoveries. This oil accumulation has been proven by three wells and is estimated to contain more

undeveloped discoveries. This oil accumulation has been proven by three wells and is estimated to contain most likely (P50) gross contingent resources of 292 MMbbl, 257 MMbbl of which is on the licence; a resource of the same scale as Rosebank.

The approved three-year work programme will progress towards a technically and economically viable development, that can be delivered within the context of the NSTA's Net Zero Strategy. By undertaking geophysical, geochemical and reservoir modelling studies the work will assess the feasibility of implementing polymer flooding with geothermal heat uplift to improve recovery.

Why Viscous Oil Matters

The oil within the Fynn reservoir is viscous and made up of long chain hydrocarbons, which means that when refined it contributes little to gasoline supplies, but is a good feedstock for lubricants, asphalt and anode grade petroleum coke (an essential component for fast charge EV batteries). Orcadian believes that gas and viscous oils will be the post-transition hydrocarbons essential to the prosperity of every economy.

Why Domestic Production is Best

Producing heavy oil domestically, under the stewardship of the NSTA, is a considerably better option than importing these oils from Venezuela or Canada. Both these countries produce most of their heavy oil using thermal means - steam assisted gravity drainage, cyclic steam stimulation or steam flood. The measure of efficiency of all these techniques is the steam-oil ratio, which is the number of barrels of cold-water equivalent of steam required to recover a barrel of oil. An outstanding steam oil ratio is two, but steam-oil ratios of four or five are common. The CO₂ emissions from burning gas to generate the steam are approximately 30 kgCO₂/bbl of water. So, emissions per barrel from imports from Canada or Venezuela are typically 60 to 150 kgCO₂/bbl, even before the transportation emissions are accounted for. It is these high emission levels, and the strip mining and chemical processing often used for extra-heavy oil extraction that have given heavy oils such an undeserved reputation.

With a polymer flood approach, by incorporating heat from geothermal sources to reduce reservoir oil viscosity, and by electrifying production systems using green energy, the emissions per barrel in the production process can be reduced to single figures, better than most UK light oil fields. The UK and her allies need viscous oils both for strategic security of energy and for the petroleum-derived products that support both the transition and the post-transition economy.

Buying these products made from imported petroleum rather than our own oil also damages the balance of payments, eliminates great jobs, and increases actual greenhouse emissions.

In summary we are delighted to have the Fynn licence in hand and we are committed to finding a way to produce this essential oil with the least emissions possible.

For further information on the Company please visit the Company's website: <https://orcadian.energy>

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Qualified Person's Statement

Pursuant to the requirements of the AIM Rules and in particular, the AIM Note for Mining and Oil and Gas Companies, Maurice Bamford has reviewed and approved the technical information and resource reporting contained in this announcement.

Maurice has more than 35 years' experience in the oil & gas industry and 3 years in academia. He holds a BSc in Geology from Queen Mary's University, London and a PhD in Geology from the University of London. He is a member of the Institution of Mining and Metallurgy and the Institution of Chemical Engineers.

Geology from Queens University Belfast and a PhD in Geology from the National University of Ireland. Maurice is a Fellow of the Geological Society, London, and a member of the Geoscience Energy Society of Great Britain. He is Exploration and Geoscience Manager at Orcadian Energy.

About Orcadian Energy

Orcadian is a North Sea focused, low emissions, oil and gas exploration and development company. Orcadian may be a small operator, but it is also nimble, and the Directors believe it has grasped opportunities that have eluded some of the much bigger companies. As we strike a balance between Net Zero and a sustainable energy supply, Orcadian intends to play its part to minimise the cost of Net Zero and to deliver reliable energy to the UK.

Orcadian's key asset is the Pilot oilfield, Pilot was discovered by PetroFina in 1989 and has been well appraised. The field has excellent quality reservoir and contains 263MMbbl of a viscous oil ranging in gravity from 17° API in the South of the reservoir to 12° API in the North. In planning the Pilot development, Orcadian has selected polymer flooding and wind power to transform the production of viscous oil into a cleaner and greener process. Polymer significantly reduces fluid handling requirements and hence energy consumption as well as boosting recovery. Ithaca Energy, operator of the Captain field in the Inner Moray Firth, has enjoyed consistent success in applying polymer flood to the highly analogous Captain field. Following the recent farm-down of Pilot, the project is now under the stewardship of Ping Petroleum UK PLC ("Ping") and is intended to be amongst the lowest carbon emitting oil production facilities in the world.

Ping is progressing a low-emissions, phased, field development plan for Pilot based upon a polymer flood of the reservoir, a Floating Production Storage and Offloading vessel (FPSO) and provision of power from a floating wind turbine or a local wind farm.

Orcadian has an 18.75% fully carried interest in licence P2244 (block 21/27a) and a 100% interest in licence P2482 (blocks 28/2a and 28/3a). Ping is operator of P2244 and the Pilot development project.

Orcadian was awarded three licences in the 33rd round. The Mid-North Sea High licence, P2650, contains shallow gas leads. Orcadian applied in partnership with Triangle Energy, an Australian listed energy company. Orcadian is licence administrator and holds 50% of the offered licence. The Mid-North Sea High licence covers blocks 29/16, 29/17, 29/18, 29/19, 29/21, 29/22, 29/23, 29/27 and 29/28.

The Fynn licence, P2634, contains a very substantial heavy oil discovery. About 88% of the resource on a best technical case is estimated to lie within the area of the offered licence. Orcadian has a 50% working interest in the Fynn licence which is operated by the Parkmead Group. The Fynn licence covers blocks 14/15a, 14/20d and 15/11a.

The SNS licence, P2680, 50% Orcadian on completion of a proposed transaction, contains the Earham discovery, a low-calorie gas discovery with 114bcf of methane resources on a P50 basis, the Clover prospect which has P50 prospective resources of 153bcf, and the decommissioned Orwell field which has redevelopment potential, alongside a number of smaller prospects. The Marine Low Carbon Power Company Ltd, an affiliate of IPC is intended to own the other 50% of P2680 and will carry Orcadian to first gas.

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