

The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Upon publication of this announcement, this information is now considered to be in the public domain.

UK Oil & Gas PLC
("UKOG" or the "Company")

Dorset green hydrogen generation and import MOUs

UK Oil & Gas PLC (London AIM: UKOG) is delighted to announce that its wholly owned subsidiary UK Energy Storage ("UKEn") has executed two Memorandums of Understanding ("MOU") with Portland Port Limited ("PPL") to jointly pursue the following joint venture hydrogen opportunities centred around the Port and UKEn's material scale South Dorset Storage site (see RNS of 28 January 2025):

- i. **Generation of 1 GW¹ of green hydrogen via import by ship of green hydrogen carrier liquids (and/or compressed green hydrogen) into Portland Port.** Produced hydrogen gas to be piped locally into UKEn's nearby South Dorset salt cavern hydrogen storage site and then onwards to the wider UK.
- ii. a. **Generation of green hydrogen via electrolysis within Portland Port.** Designed to capture excess 'locally' generated clean renewable (wind) energy in UKEn's South Dorset storage. Stored energy would ultimately be converted to electrical power for future use/demand during low wind/solar periods, thus helping 'cure' the inherent intermittency of renewables (i.e., "a Hydrogen Battery").
b. **Hydrogen to power generation ("H2P") within Portland Port.** Designed to meet initial power requirements for UKEn's South Dorset Storage site and its environs.

UKEn intends to formalise these agreements with PPL and will make further announcements in due course.

The close geographic proximity of UKEn's South Dorset storage site and PPL's deep-water port, capable of handling Very Large Gas Carrier size vessels ("VLGCs"), presents an opportunity to establish a material scale integrated green hydrogen energy hub.

If delivered as envisaged, these synergistic developments would constitute one of only three national scale hubs² of the future UK hydrogen system which offer the combination of: material scale onshore underground storage, material scale green hydrogen production and connection via trunk pipeline to the wider UK.

The Dorset hub is also unique in that it offers the sole salt-cavern hydrogen storage solution for Southern England, forecast by National Grid/NESO Future Energy Scenarios to be the UK's largest hydrogen demand area by 2040.

The Company has identified and opened preliminary dialogue with potential suppliers of both liquid and gaseous green hydrogen.

Newly released third party plans for around 2GW¹ of offshore Dorset wind generation (with an operations base and cable landfall at or close to Portland Port) also presents a further unique opportunity to create an effective Hydrogen Battery utilising UKEn's South Dorset salt cavern storage.

The planned combination of electrolytic hydrogen generation and storage would enable the wind farm to generate at full capacity during periods of low electricity demand, with the excess electrical energy being stored via conversion into hydrogen. The stored hydrogen would then be used via H2P as dispatchable power during future periods of low wind and/or high electricity demand.

UKEn believes that the addition of a potential material source of green hydrogen allied to its storage, plus the ability to store excess renewable wind power in its South Dorset storage site will strengthen its case for the award of government revenue support (see RNS of 28 January 2025).

UKEn's South Dorset hydrogen storage project, together with these proposed new hydrogen centric projects will continue to play a major role in the Company's activities and in the decarbonisation of the South and Southwest of England, the Solent Cluster (of which UKEn is a Strategic member) and the wider UK energy system.

The Company's aim of delivering these key strategic energy infrastructure elements is fully in step with the Government's ambitious target to decarbonise the UK power system by 2030 and the future Energy Security of the UK.

Notes: ¹ GW = Gigawatt; ² Other National scale hydrogen hubs include the East Coast cluster (within which UKEn's East Yorkshire hydrogen storage project is located) and the NW 'Hynet' cluster.

Stephen Sanderson UKOG's Chief Executive commented:

"The addition of a potential material source of green hydrogen, directly linked to UKEn's South Dorset storage site, would both enhance our project's national significance and the prospects of UKEn securing revenue support in the government's forthcoming Hydrogen Storage procurement process. The revenue support case would likely be further strengthened by the future potential for UKEn's proposed at scale Hydrogen Battery allied to planned offshore Dorset wind power.

We very much look forward to continuing our long-standing good relationship with Portland Port and to helping develop one of the UK's largest future green energy and hydrogen hubs, uniquely located in Southern England, forecast to be the UK's largest hydrogen demand area by 2040."

Ian McQuade, General Manager - Commercial, Portland Port, said:

"The Portland Port team looks forward to exploring these hydrogen opportunities centred around the Port and UK Energy Storage's material-scale South Dorset Storage site. The two MOUs underline our Green Energy Island aspiration for Portland to become a leading renewable energy hub on the south coast."

For further information, please contact:

UK Oil & Gas Plc

Stephen Sanderson / Matt Cartwright

Tel: 01483 941493

Zeus (Nominated Adviser and Broker)

James Joyce / James Bavister / Andrew de Andrade

Tel: 0203 829 5000

CMC Markets (Joint Broker)

Douglas Crippen

Tel: 0203 003 8632

Communications

Brian Alexander

Tel: 01483 941493

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