

17 March 2025

Block Energy plc

("Block" or the "Company")

Acquisition of Samgori South Dome

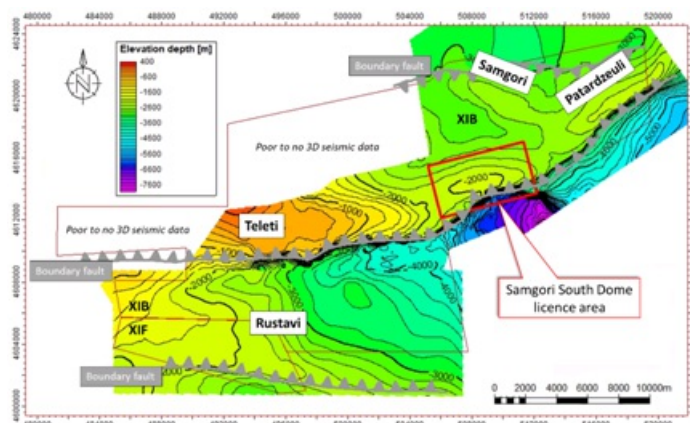
Summary

- The State Agency of Oil and Gas of Georgia confirmed Block's operational rights to the Upper Eocene, Lower Eocene and Upper Cretaceous in the Samgori South Dome ("SSD") field.
- As a result, resources for Project III increase with the addition of 574 BCF 2U unrisks prospective resources to the existing 2.7 TCF 2C contingent resources.
- The consolidation of the field into XIB allows it to be advanced alongside the Project III appraisal plan.

Background

Samgori South Dome ("SSD") was originally part of the XIB PSC but carved-out in 2014 (prior to Block's participation in XIB) for potential use by the Georgian government at Middle Eocene reservoir depth for an Underground Gas Storage ("UGS") project.

The Middle Eocene is retained by the Georgian national oil company, Georgian Oil and Gas Corporation ("GOGC").



Map 1: Top Lower Eocene Structure Map

Geological Context

At the Lower Eocene and deeper stratigraphy the SSD geological structure is a three-way dip closure forming a culmination in communication with and at a similar structural level to the Patardzeuli-Samgori structure, and is on trend with the Teleti field. The Lower Eocene and Upper Cretaceous reservoirs have not been drilled and tested to date, but given the seismic interpretation, depth calibration at the top Middle Eocene and location of the SSD culmination adjacent to proven gas in Patardzeuli-Samgori and Teleti it is considered to be highly prospective.

The top Upper Cretaceous structure runs from Patardzeuli-Samgori through SSD to Teleti, a distance of approximately 40 km, becoming progressively shallower by around 1,700 m at Teleti. This has the potential to be a continuous gas-bearing structure as no structural closures have been mapped at mid and deep case known gas levels.

Block's internal resource evaluation ascribes the following prospective resources to SSD:

Reservoir	Prospective Resources (Gas, BCF)		
	1U	2U	3U
Lower Eocene	462	526	594
Upper Cretaceous	39	48	57
Total	501	574	651

Project III

SSD produced oil from the same volcanoclastic Middle Eocene formation as Patardzueli-Samgori and Teleti during the Soviet period. No exploratory wells targeting the Lower Eocene and Upper Cretaceous were drilled.

Acquiring the SSD field ensures that, on success of the Project III appraisal campaign, the Company has additional running room to add resources to the existing proven fields and that, if the Upper Cretaceous reservoir is shown to extend from Patardzueli-Samgori through SSD to Teleti, the Company is able to exploit this.

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

"We greatly appreciate the continued support of the Georgian government as we advance our Project III farm-out campaign. The acquisition of SSD marks a significant milestone, further strengthening our significant resource base, enhancing the growth potential for the Company. With this expanded opportunity set, we are well-positioned to capitalise on future drilling success across Project III. We look forward to sharing further updates in due course."

****ENDS****

Stephen James BSc, MBA, PhD (Block's Subsurface Manager) has reviewed the reserve, resource and production information contained in this announcement. Dr James is a geoscientist with over 40 years of experience in field development and reservoir management.

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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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