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

15 April 2025



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

[Deltic Energy Plc](#), the AIM quoted natural resources investing company, is pleased to provide the following operational and commercial update in relation to the Selene Gas Project in the UK Southern North Sea:

Highlights

- Deltic now estimates Gross 2C Contingent Resources of 174 BCF at Selene, a 33% increase on earlier estimates
- Analysis of core samples from well 48/8b-3Z is now substantially complete
- Porosity and permeability characteristics improved over previous assumptions
- Reservoir modelling indicates enhanced production potential from key B-sand interval
- Updated post-tax NPV10 of USD 83M net to Deltic at 80 pence per therm gas price and USD 114M at 100 pence per therm gas price

Selene Gas Project - Licence P2437

Deltic has a 25% non-operated interest in the Shell-operated Selene gas discovery in the Southern North Sea ("SNS").

Following the successful drilling of the well in 2024, the Joint Venture ("JV") partners unanimously voted to move into the second term of the licence and committed to the various engineering, commercial and regulatory workflows required to support a Field Development Plan ("FDP") and a future Final Investment Decision ("FID") scheduled for early 2027.

Reservoir Properties

The licence Operator, Shell UK Ltd, has provided porosity and permeability measurements on 176 core plugs taken from drill core samples over the Leman B-Sand, which is the key producing interval within the much thicker Leman Sandstone package.

The core analysis indicates significantly better porosity and permeability than previously assumed in Deltic's P50 volumetric estimates and reservoir modelling. A comparison of the updated B-sand porosity assumptions based on the core analysis and the previously utilised assumptions are summarised in the table below:

Reservoir Characteristic		Units	Poro-Perm Assumptions Time post-well completion		% Improvement
			1 Month	6 Months	
B-Sand Porosity	Low	% 1 Month	11	13	18
	Mid		12	14.5	21
	High		13	16	23
Average Permeability	Mid Case	mD ¹	1.6	2.5	56

¹ Klinkenberg corrected for Net Overburden Pressure

The improved view of porosity has been incorporated into Deltic's static subsurface model and our estimates of gas-initially-in-place (or "GIIP") for the Selene structure.

Reservoir Modelling Update

Incorporating the new porosity and permeability data into Deltic's dynamic reservoir model has resulted in improved overall recovery factors, higher initial flow rates, extended plateau production periods and increased estimates of gas recovered over a 20-year production life. A comparison of our 6 month post-well view with the previous reservoir modelling is set out below:

Mid-Case Reservoir Model & Outputs ¹		Units	Assumptions Time post-well completion		% Improvement
			1 Month	6 Months	
2 Well Development	Initial Production Rate	Mmscf/day	50	70	40
	Production Plateau	Months	8	18	125
	Gas exported via Barque PB	BCF	130	176.7	36
	Implied P50 Recovery Factor	%	50	57	12

¹ Field production metrics are reported on a Gross basis, reflects mid-case (ie P50) reservoir assumptions

Gas Quality Analysis

Analysis of the gas samples collected from the 48/8b-3Z well have proven the presence of a very dry, methane dominated natural gas with nominal concentrations of contaminants including CO₂ and N₂ and our expectation is that gas produced from Selene will require minimal processing to reach National Grid entry specifications.

Updated Volumetric Estimate

The core analysis data has allowed Deltic to refine and update its volumetric estimates for the Selene Gas Project utilising the recently delivered porosity data from the core samples and updated recovery factors from the reservoir modelling.

Contingent Resources ¹ [Development Pending]			% Improvement ²
Units	BCF Gross	BCF Net to Deltic	
1C	128	32	35
2C	174	44	33
3C	233	58	32

¹ Deltic's in-house estimates of Contingent Resources

² % Improvement compared to EUR volumes announced via RNS on 31 October 2024

Given the commerciality of the project, maturity of the technical analysis and ongoing pre-development workflows it was considered appropriate to move from using Estimated Ultimate Recovery (or 'EUR') to Contingent Resources - Development Pending to describe the status of the Selene project.

Updated Economic Model & Project Valuation

Given the material uplift in recoverable gas volumes, the economic model for Selene has been updated from that previously announced in the Company's announcement released on 11 March 2025. Deltic's base case development assumptions remain unchanged and incorporate a two well development with a new normally unmanned installation tied back to existing production infrastructure on the Barque field via a new c. 20km subsea pipeline.

This model reflects the revised volumetrics and production profiles and has been run at a 80 pence per therm gas price reflecting recent average National Balancing Point ('NBP') and a 100 pence per therm gas price which more closely reflects the average NBP gas price over the last six months.

Assumptions	Units	Value*
Deltic Working Interest	%	25
Gross 2C Contingent Resources	BCF	174
Initial Field Production Rate	MMscf/day	70
Gas Price	pence/therm	80 & 100
First Gas	Year	2029
Cost per BOE	USD	10 CAPEX & 15 OPEX
Fiscal Regime	As per Budget announced 30 October 2024	

Economic Evaluation	Units	Value @ 80 p/therm	Value @ 100 p/therm
Gross Gas Sales (cumulative)	USD	2.1 billion	2.7 billion
NPV10 (pre-tax, gross)	USD	430 million	626 million
NPV10 (post-tax, net to Deltic)	USD	83 million	114 million
Payback Period	Years	In year 2 of production	In year 2 of production
Internal Rate of Return	%	42%	51%

Andrew Nunn, Deltic CEO, commented:

"The six month post discovery checkpoint is always a key stage gate on the path from a gas discovery to a gas development project, and as the technical work gathers momentum we narrow the inherent uncertainties of a new find and get greater clarity on the discovery and its potential. The integration of the core data into the volumetric and economic analysis has led to a significant refinement and improvement in Deltic's understanding of the Selene asset which continues to impress. This updated understanding will be critical as the JV moves forward into project scoping and early project design workflows. The circa 45% increase in the NPV10 of Selene net to Deltic is particularly pleasing, especially within the context of the current market cap of the Company.

Recent global events have reinforced the case for maximising the benefits from the United Kingdom's domestic resources. With continued government support for the development of new fields on existing licences there appears to have been a realisation that, while we continue to consume hydrocarbons as a society, then the focus should be on maximising the proportion of 'good barrels' in the energy mix. These barrels are, or will be, produced locally and, in the case of newer developments, from facilities which are specifically designed with a net zero target in mind. Hydrocarbons produced in the UK have a lower emissions footprint than imported oil and gas and are operated under the strictest environmental regulations. They also support high quality UK jobs and provide important tax revenues to the Exchequer.

We continue to explore various avenues as we work to secure the funding required to maintain our interest in the Selene project as the JV works toward a Final Investment Decision in early 2027. We believe that it has never been more important for the UK to develop and maximise the benefit of its own resources, like Selene, and thereby maximising the proportion of 'good barrels' in the mix as we become increasingly dependent on imported oil and gas."

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.
BOE	barrels of oil equivalent. Gas is converted at a conversion rate of 6,000 standard cubic feet of gas per BOE.
Contingent Resources - Development Pending	Discovered, potentially recoverable resources that are not yet considered commercially viable due to contingencies, but where development is actively being pursued and is expected within a reasonable timeframe with a high chance of success.
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.
GIIP	the estimated total volume of natural gas contained within a reservoir before any extraction or production takes place.
MMscf:	million standard cubic feet.
NPV10:	estimated net present value using a discount rate of 10%.
PRMS:	the June 2018 Society of Petroleum Engineers ("SPE") Petroleum Resources Management System.

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.
Therm:	the energy equivalent of approximately a hundred cubic feet of natural gas.

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