

20 May 2025

Centrica plc

Sale of interest in the Cygnus gas field

Centrica plc ("Centrica") announces that subsidiaries of Spirit Energy Limited ("Spirit Energy" or "Spirit") have entered into agreements to sell a 46.25% interest in the Cygnus gas field¹ to a subsidiary of Ithaca Energy plc ("Ithaca Energy"). The total value of the transaction to Spirit Energy is approximately £215 million, including headline consideration of £116 million and the transfer of £99 million of decommissioning liabilities associated with the interest. Centrica's 69% share of headline consideration is expected to be £80 million.

The disposal has a commercial effective date of 1 January 2025 and is expected to complete during the second half of 2025, with customary interim period adjustments to be applied.

The transaction is strongly aligned with Centrica and Spirit Energy's strategy to maximise value from Spirit's remaining reserves, delivering attractive upfront cash consideration, and provides further value by transferring long-term liabilities. As an existing shareholder and the operator of Cygnus, Ithaca Energy is ideally positioned to take on majority ownership of the asset. Following completion of the transaction, Spirit Energy will remain focused on the development of the long-term Morecambe Net Zero² carbon storage project, its remaining producing assets and safely and efficiently decommissioning its facilities and wells with minimum environmental impact.

Spirit Energy's 2P reserves will be reduced by 19.4mmboe (1,139mmth of gas, 0.4mmboe of Natural Gas Liquids (NGLs)) to reflect the interest disposed.

Chris O'Shea, Group Chief Executive of Centrica and Chairman of Spirit Energy, said: "Our focus is on delivering value for Centrica's colleagues, customers and shareholders through the energy transition. Through this disposal we are taking another step in reducing our exposure to gas production while accelerating the delivery of enhanced value to shareholders, allowing the Spirit team to further focus on delivering the largest carbon storage project in Europe at Morecambe Net Zero.

This is only one of many exciting opportunities across Centrica, aligned to the energy transition, as we continue to re-position our infrastructure portfolio, and we remain firmly focused on capturing the immense value on offer."

Enquiries:

Investors and Analysts:
email: ir@centrica.com

Media:
email: media@centrica.com
tel: +44 (0)1784 843000

Notes:

1. Cygnus is located in the Southern North Sea, approximately 150km east of the Lincolnshire coast. Cygnus is jointly owned by Spirit Energy (61.25%) and Ithaca Energy plc, through its subsidiary Eni UK (38.75%); Ithaca Energy is the operator. Following completion of the transaction, Spirit Energy will retain a 15.00% interest in the field. At the end of 2024, Spirit had 2P reserves at the field of approximately 25.7mmboe (1,509mmth of gas, 0.5mmboe of NGLs) and produced approximately 6.9mmboe (399mmth of gas, 0.1mmboe of NGLs) in 2024. 2P reserves associated with the 46.25% stake are approximately 19.4mmboe (1,139mmth of gas and 0.4mmboe of NGLs), with 2024 production approximately 5.2mmboe (301mmth of gas, 0.1mmboe of NGLs). 2025 production from Spirit Energy's 61.25% share in Cygnus is expected to be approximately 6mmboe (of which approximately 98% is gas); 46.25% share approximately 4.5mmboe.
2. The Morecambe Net Zero carbon storage project aims to repurpose the depleted South and North Morecambe gas fields off the coast of Barrow-in-Furness into a world-leading carbon storage facility, able to accept up to 1 gigaton of CO₂ in its lifetime, the equivalent of three years' worth of UK CO₂ emissions.

Centrica plc is listed on the London Stock Exchange (CNA)
Registered Office: Millstream Maidenhead Road, Windsor, Berkshire SL4 5GD
Registered in England & Wales number: 3033654
Legal Entity Identifier number: E26EDV109X6EFPBKVH76
ISIN number: GB00B033F229

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