

16 December 2025

Centrica plc

Sale of Cygnus, Greater Markham Area and Southern North Sea interests

Centrica plc ("Centrica") is pleased to announce the sale of Spirit Energy Limited's ("Spirit Energy" or "Spirit") remaining 15% interest in the Cygnus gas field<sup>1</sup>, and all other producing assets in the Greater Markham Area<sup>2</sup> and Southern North Sea<sup>3</sup>, to Serica Energy plc ("Serica").

The total value of the transaction to Spirit Energy is approximately £98 million, including headline consideration of £57 million and the transfer of £41 million of decommissioning liabilities. Centrica's 69% share of headline consideration is expected to be £39 million. The disposal has a commercial effective date of 1 January 2025 and is expected to complete in the second half of 2026, subject to regulatory approvals and with customary interim period adjustments to be applied.

As with the sale of 46.25% of Spirit's interest in Cygnus which was completed in early October, this transaction is strongly aligned with Centrica's focus on maximising value as it continues to reposition its infrastructure portfolio, delivering attractive upfront cash consideration and transferring long-term decommissioning liabilities.

This disposal will result in the Morecambe Hub<sup>4</sup> becoming Spirit's principal producing asset, with total retained reserves of 9.0mmboe<sup>5</sup>. Spirit's primary focus will remain on the development of the Morecambe Net Zero<sup>6</sup> carbon storage project, alongside safely and efficiently decommissioning its facilities and wells with minimum environmental impact.

Chris O'Shea, Group Chief Executive of Centrica and Chairman of Spirit Energy, said:

*"Our focus at Centrica is on creating value. By recycling capital we're unlocking new investment opportunities in the UK and elsewhere, and accelerating the energy transition - delivering the energy needed today and powering tomorrow's ambitions by energising a greener, fairer future."*

*"This disposal generates value for our shareholders, is a significant step in streamlining Centrica's portfolio, and will focus Spirit on developing the option to invest in Europe's largest carbon storage project at Morecambe Net Zero. These material UK investment opportunities will however depend upon having a regulatory framework, and a regulator, which is fit for purpose."*

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Notes:

1. Cygnus is located in the Southern North Sea, approximately 150km east of the Lincolnshire coast. On 1<sup>st</sup> October 2025 it was announced that Spirit Energy had completed the sale of 46.25% of its interest in Cygnus to Ithaca Energy plc, the operator of the field, for headline consideration of £116m.
2. The Greater Markham Area hub spans the UK and Dutch Continental Shelves, and comprises the Spirit Energy-operated Markham (37.5% Spirit interest), Chiswick (100% Spirit interest), Grove (92.5% Spirit interest) and Kew (100% Spirit interest) fields, along with the non-operated J3c (4.03% Spirit interest) field and other fields in which Spirit has no ownership interest.
3. The Southern North Sea producing assets to be disposed of are the Spirit-operated fields of Ceres (90% Spirit interest) and Eris (54% Spirit interest), and the non-operated Clipper South (25% Spirit interest) and Galleon (8.4% Spirit interest) fields.
4. The Morecambe Hub comprises three fields in the East Irish Sea - North Morecambe, South Morecambe and Rhyl. Spirit Energy has a 100% interest in each of the fields.
5. Spirit Energy's 2P reserves as at 31<sup>st</sup> December 2024 will be reduced by 15.7mmboe (approximately 911mmth of gas, 0.5mmboe of Natural Gas Liquids (NGLs)) on a 100% basis to reflect the interests disposed. Retained Spirit Energy 2P reserves of 9.0mmboe (approximately 489mmth of gas, 0.8mmboe of NGLs) on a 100% basis as at 31<sup>st</sup> December 2024 includes 0.7mmboe associated with the Brae field. Full year 2024 production (100% basis) from the retained assets was 3.7mmboe (approximately 185mmth of gas, 0.7mmboe NGLs).
6. The Morecambe Net Zero carbon storage project will 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 CO<sub>2</sub> through its 40-year lifetime, the equivalent of three years of total UK CO<sub>2</sub> emissions.

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