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Block Energy PLC
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Block Energy plc

("Block" or the "Company")

Completion of CCS Pilot Study

Block Energy plc, the production and development company focused on Georgia, is pleased to announce that the Carbon Capture Storage ("CCS") Pilot Study at the Patardzeuli Field has been successfully completed. A report, prepared by Oilfield Production Consultants ("OPC"), confirms the technical viability of permanent carbon storage at the site.

Highlights:

- CCS Pilot Study completed, with successful injection and monitoring of aqueous carbon dioxide within the Middle Eocene formation.
  - Total of 13.64 tonnes of carbon dioxide dissolved in water injected.
- Independent analysis by OPC indicates complete mineralisation of the injected carbon dioxide into stable carbonate minerals within one to three months.
  - Laboratory analysis of representative samples confirmed the field-observed trends, validating the effectiveness of the mineralisation process.
- Confirmation that the carbon dioxide remains securely stored in solid mineral form, with no evidence of gas phase migration or leakage.
- Identification of favourable reservoir characteristics, including reactive volcaniclastic rocks and zeolite minerals, which promote rapid and permanent carbon mineralisation.
  - Fractured volcaniclastic rocks facilitate fluid flow and reaction.
  - Zeolite minerals react rapidly with carbon dioxide charged water, accelerating carbonate formation.
- Under-pressured reservoir conditions, significantly reducing the energy and costs required for injection, and existing legacy well infrastructure enable a lower-cost deployment.
  - Historic hydrocarbon production has resulted in an under-pressured reservoir, reducing injection energy requirements.
  - Existing wells may be repurposed for injection and monitoring, limiting new drilling requirements.
  - The location benefits from proximity to large industrial carbon dioxide emitters and established surface infrastructure which simplifies logistics and midstream requirements.

Independent Report Conclusions:

"'OPC's specialist for carbon dioxide mineralisation, Max Richards, noted that the field pilot study validates all theoretical and laboratory studies that demonstrate clear evidence that the Middle Eocene reservoir in the Patardzeuli oil field will permanently mineralise all injected carbon dioxide

The Middle Eocene formation pilot project demonstrates a definitive pathway for technical and commercial carbon sequestration at the Patardzeuli Oil Field.

Field data and independent analysis confirm that the injected aqueous carbon dioxide solution achieved full mineralisation within a rapid one-to-three-month timeframe. The absence of carbon dioxide returns during the monitoring phase validates the efficiency of the injection method and ensures that the carbon is permanently fixed in a solid state. By transitioning the carbon dioxide into stable carbonate minerals, a fundamental process within the Earth's natural carbonate cycle, the project achieves permanent storage and effectively eliminates the risk of atmospheric leakage. This mineralisation process is a standard geological occurrence, which will not compromise the existing reservoir."

Following these encouraging results, the Company is progressing to the next phase of development, alongside its JV partner Rustavi Azot (a subsidiary of Indorama Corporation). This stage involves a

comprehensive feasibility study to evaluate scalability and the infrastructure requirements for full-scale commercialisation of CCS operations. The transition from pilot-scale injection to industrial-level deployment will focus on leveraging existing legacy wells and the under-pressured reservoir conditions to optimise the economic framework for long-term carbon storage.

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

"The successful completion of this pilot is an important technical milestone for the Company. The independent results confirm that rapid and permanent mineralisation of carbon dioxide is achievable within the Patardzeuli reservoir, which is a critical prerequisite for any scalable carbon storage solution. These results provide the confidence required to progress to a focused feasibility phase, where we will assess regulatory alignment, scalability, and the potential commercial pathways for CCS, with our existing partners."

Prakesh Kejriwari, Group Director of Indorama Corporation, commented:

"The pilot results are encouraging and demonstrate that mineral-based carbon storage within the Patardzeuli Field is technically credible and aligned with established geological processes. From an industrial perspective, the ability to achieve rapid and permanent carbon fixation using existing infrastructure is particularly encouraging, as it supports Indorama Corporation's ongoing efforts to evaluate longer-term decarbonisation options and further implement sustainable industrial practices across our worldwide operations to reduce the carbon footprint."

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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, progressed predominantly through partner funding alongside cash flow from existing producing assets. 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.

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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.

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