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EnergyPathways PLC
15 April 2024

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EnergyPathways plc

("EnergyPathways" or the "Company")

Company Update

EnergyPathways plc (AIM: EPP), a company developing integrated energy solutions, is pleased to provide the following update regarding operational and strategic progress as it seeks to deliver clean, home-grown energy for Britain through follow-up gas development and energy integration growth at its wholly owned and operated Marram gas project ("Marram" or the "Marram Project").

Key Highlights

- Outcome of outstanding licence applications expected in H1'24
- Progressive engagement with regulators to enable fast-track development of Marram
- Material progress on Front-End Engineering Design (FEED) workstreams including commencement of discussions with infrastructure hosts
- Developing a fully electrified Marram subsea development concept to be 100% powered with renewable energy for a best-in-class decarbonised development aligned to Government energy strategy
- Progressing longer-term growth strategy for development of a clean energy hub to harness the large untapped gas resources, wind energy and high-quality geo-storage reservoirs of the UK Irish Sea

Operations Update

Following recent communications from the regulator, the North Sea Transition Authority (NSTA), EnergyPathways now anticipates learning the outcome of its outstanding licence application in Q2'24 rather than in Q1'24 as previously guided by the NSTA. EnergyPathways anticipates feedback on its other licence requests within the same timeframe.

The Company has applied to the NSTA and the Offshore Petroleum Regulator for Environment and Decommissioning for Marram's Field Development Plan approvals and has submitted a licence variation request to the NSTA to enable a fast-track Marram development to proceed. Meanwhile, the

Company continues to progress Marram towards Final Investment Decision; its Environmental Statement has been completed and a navigational risk assessment is being undertaken by Anatec Limited, a market leader in risk-based decision making.

The Company was delighted to be invited by the NSTA to speak at the Offshore Energies UK hosted Share Fair conference, a key industry business development and supply chain event that was held on 20 March.

EnergyPathways continues to engage with all relevant authorities and stakeholders as it seeks to outline its strategic vision of delivering innovative net-zero developments for the UK energy system and has submitted requests to the NSTA for energy storage licenses. Additionally, the Company also recently commenced discussions with infrastructure hosts and has received third-party reports on infrastructure technical studies.

In terms of wider progress within the Marram FEED process, the technical team is progressing engineering and design for an all-electric, zero-emission subsea production system with industry stakeholders, including Verlum, Advanced Mechatronics and Proserv and has also commenced the next phase of FEED for drilling and completions engineering with Zenith Energy.

As previously disclosed, EnergyPathways has formed a partnership with subsea engineering houses Mermaid Subsea Services and Cortez Subsea of the MCS Group and the partnership is progressing tie-back development concept engineering. In addition, the Company is progressing supply chain engagement and scheduling of lead times for certain long lead items including subsea controls, electro-hydraulic umbilical, wellheads, subsea flowline and other major items.

EnergyPathways' electrification development design for Marram demonstrates clear alignment with the NSTA's net zero objectives for new gas developments and will potentially qualify for financial incentives under Government decarbonisation schemes. We have also received interest from renewable energy generators, energy off-takers, debt financiers and major engineering houses in support of our decarbonisation project.

Strategic Update

In parallel with progressing EnergyPathways' "ready-to-go" Marram Project, the Company continues to implement its longer-term strategy, which envisages the development of an energy hub to harness the large untapped gas resources, wind energy and high-quality geo-storage reservoirs of the UK Irish Sea, that will build on its foundation Marram Project. EnergyPathways believes that its integrated energy strategy offers unique integrated energy transition solutions to support the UK's fragile energy security and net zero targets.

By utilising its foundation 46 BCF gas project, Marram, EnergyPathways intends to demonstrate its ability to deliver a high-value development with ultra-low emissions intensity of 4-6 kg CO₂e/boe, representing a carbon footprint that is ~90% lower than LNG imports and can reduce CO₂ emissions by 100,000 tonnes per annum. A key focus through the ongoing FEED process is to ensure that the production from Marram is wholly powered by renewable energy and that the facilities will be engineered for energy storage re-use. Initial studies indicate that Marram has high quality geo-storage reservoirs suitable for gas and hydrogen storage. Accordingly,

EnergyPathways has submitted energy storage and production licence requests to the UK regulator and responses are expected in H1'24. In the event of successful award for all these licenses, Marram's storage capacity could potentially be increased 3-fold with the integration of the nearby Knox, Lowry and Castletown gas discoveries (~140 BCF), increasing the hub's energy supply potential to 60 million cubic feet of gas per day.

The East Irish Sea region lies in close proximity to one of the major grid constraint boundaries in the UK. This, together with six existing offshore wind farms with 7-8 GW of existing and planned capacity, makes it an ideal location for energy storage and backup gas power generation. The Company's regional focus is based on this and the belief that the East Irish Sea is a unique environment for short cycle developments, possessing ideal reservoirs and location for energy storage, optimally located to link new carbon-capture gas-fired power stations with nearby CO₂ storage, to provide low-cost, decarbonised and reliable power. The Company's proposed long duration energy storage hub will be capable of storing an estimated 7 TWh of energy.

The proposed energy hub could be connected to regional CO₂ storage, the HyNet North-West hydrogen hub and industrial demand centres to produce reliable and cost competitive "net-zero ready" gas power generation. EPP will also be positioned to manufacture high value-added net zero energy products (hydrogen, ammonia and methanol) and take advantage of opportunities for price arbitrage during periods of high gas demand.

Commenting on the update, EnergyPathways' CEO Ben Clube said:

"We are pleased to report on positive progress with regard to the decarbonised development concepts that underpin our FEED studies for the Marram Project and the follow-on developments targeted by the Company. We believe that this initiative positions the Company well to navigate the Marram Project through the current uncertainty in the UK's oil and gas regulatory environment. We maintain supportive dialogue with the NSTA and understand that we will learn the outcome of our outstanding licence application in H1'24.

We are also making good progress with all the various workstreams that comprise the FEED process, as we seek to deliver the fast-track development of our high-value and strategically important Marram Project.

Our focus is to ensure that Marram is a best-in-class decarbonised development that is not only fully compliant with Government and NSTA directives, but also aligns with Government strategy to support decarbonised energy solutions. Our longer-term strategy, to create an energy hub that provides an optimal solution for the UK's energy security and transition objectives, will build on Marram's foundation position and the competitive location of the UK Irish Sea. In that regard, we intend to undertake third-party studies to optimise the development of the licences that we have applied for, to enable quick and inexpensive transition of depleted fields into gas storage, including potential hydrogen storage, supporting value added

energy solutions including decarbonised back up power generation."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 (which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018).

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For further information on EnergyPathways visit www.energypathways.uk and @energy_pathways on X (formerly Twitter).

Forward Looking Statements

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