



FY Results to 31 December 2022

30 March 2023



Disclaimer



This presentation and its enclosures and appendices (the “presentation”) have been prepared by IGas Energy plc (the “Company”) exclusively for information purposes. This presentation has not been reviewed or registered with any public authority. This presentation is confidential and may not be reproduced, further distributed to any other person or published, in whole or in part, for any purpose. By viewing this presentation, you agree to be bound by the foregoing restrictions and the other terms of this disclaimer.

The distribution of this presentation and the offering, subscription, purchase or sale of securities issued by the Company in certain jurisdictions is restricted by law. Persons into whose possession this presentation may come are required by the Company to inform themselves about and to comply with all applicable laws and regulations in force in any jurisdiction in or from which it invests or receives or possesses this presentation and must obtain any consent, approval or permission required under the laws and regulations in force in such jurisdiction, and the Company shall not have any responsibility or liability for these obligations.

This presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities.

The contents of this presentation are not to be construed as legal, business, investment or tax advice. Each recipient should consult with its own legal, business, investment and tax adviser as to legal, business, investment and tax advice. In making an investment decision, investors must rely on their own examination of the Company and the terms of any investment in the Company, including the merits and risks involved. Although reasonable care has been taken to ensure that the facts stated in this presentation are accurate and that the opinions expressed are fair and reasonable, the contents of this presentation have not been verified by the Company or any other person. Accordingly, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this presentation, and no reliance should be placed on such information or opinions.

Further, the information in this presentation is not complete and may be changed. Neither the Company nor any of its respective directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of such information or opinions or otherwise arising in connection with this presentation.

There may have been changes in matters which affect the Company subsequent to the date of this presentation. Neither the issue nor delivery of this presentation shall under any circumstance create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that the affairs of the Company have not since changed, and the Company does not intend, and does not assume any obligation, to update or correct any information included in this presentation.

All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. Various factors exist that could cause the Company’s actual results, performance or achievements to differ materially from those in the forward-looking statements. These forward-looking statements speak only as of the date of this presentation. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The Company makes no representation or warranty as to the accuracy of any forward-looking statements.

Any investment in the Company involves risk, and several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this presentation, including, among others, risks or uncertainties associated with the Company’s business, segments, development, growth management, financing, market acceptance and relations with customers, and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, fluctuations in currency exchange rates and interest rates and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document. The Company does not intend, and does not assume any obligation, to update or correct the information included in this presentation.

Overview



Restructure/refocus

- Streamlined ExCo
- Improved strategic planning and more efficient decision making
- Focus on profitability of fields



Increased production

- Q4 production drive
- December production averaged 2,221 boepd (net to IGas)
- 2023 expected c.2,000 boepd



Investing in growth

- Invest in projects with short pay-back period
- Develop near term incremental production
- Grow geothermal



Energy transition

- Rebrand company for the future
- Renewable focus is on geothermal
- Energy security and decarbonisation

Financial highlights

2022



- Strong operating cashflow of £27.4m before working capital and realised hedges (2021: £13.9m). Realised loss on hedges of £8m
- Revenue £59.2m (2021: £37.9m)
 - realised price pre-hedge price of \$98.6/bbl (2021: \$68.5/bbl).
 - post hedge \$82.7/bbl (2021:\$54.3/bbl)
- Operating costs of \$41.5/boe (£33.4)/boe (2021: \$37.4 (£27.1)/boe)
- Net G&A of £6.3m (2021: £5.8m)
- Capex of £7.9m
 - converting a well to a water injector, near-term incremental projects, maintenance & regulatory costs, progressing conventional exploration opportunities
- Underlying operating profit of £16.1m but impairment of exploration and evaluation assets of £30.0m – write off remaining shale assets
- Net debt reduced to £6.1m (2021 £12.2m).
 - Significant headroom under the RBL
- Ring fence tax losses of £260m (2021: £268m))
- No EPL payable for 2022 due to capital expenditure and available allowances



Financial Outlook

2023



- Production c.2,000 boe/d
- Capex of c.£15.3m, subject to financing
 - Corringham £4.7m
 - Bletchingley £4.0m
 - Glentworth & Singleton £1.0m
 - Hopper/Avington c.£1.2m
 - Balance of £4.4m maintenance and optimisation activities
- Abex of c.£6.5m
 - Egmanton field, Ince Marshes, Irlam & Springs Road

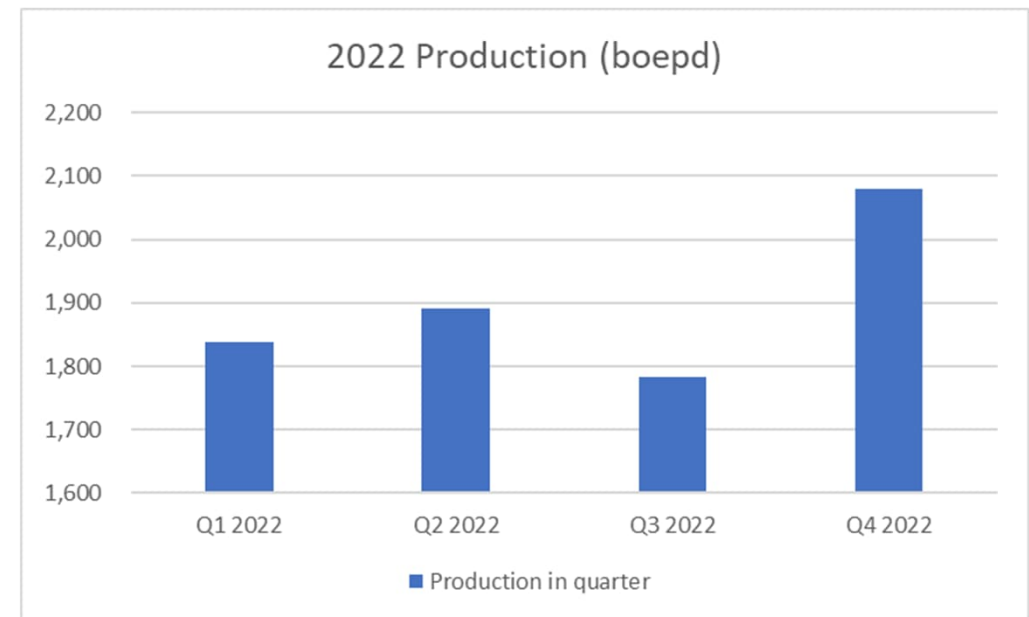


Operations

Conventional Production



- Net production averaged 1,898 boepd in 2022 (2021: 1,962 boepd) impacted by equipment failure in H1
- Production drive in Q4 mitigated poor performance in previous 3 quarters
 - Focus on eliminating the backlog of shut-in wells
 - Better optimisation of wells
 - December production averaged 2,221 boepd
- 2023 FY guidance c.2,000 boepd
 - Focus on driving profitability
- Abandonment
 - Ramp up abandonment activity in 2023 to start to decommission old and uneconomic fields
 - Dedicated abandonment team to service IGas and the wider industry



Development opportunities

Oil and power



- Opportunities for near-term additional production which is expected to generate c.150-170 boepd
 - Corringham infill project (capex in 2023 £4.7 million)
 - Potential: additional c.110 bbls/d and 0.35 mmstb 2P reserves at the end of 2023
 - Status: planning conditions discharged, environmental permit issued in March 2023. Execution should add production at the end of 2023
 - Production optimisation
- Medium term opportunities
 - Bletchingley gas to wire project (capex in 2023 of £4 million)
 - Potential: additional c.200boepd (6MW power generation) from a shut-in gas well
 - Status: planning consent in place, grid connection secured, permits expected in Q2 2023. First power export expected late 2024/early 2025
 - Glentworth two-phased project to extend an existing field (capex in 2023 £0.5 million)
 - Potential: to add c.200 bbls/d and development of c.1.0 mmstb 2P reserves. Phase 2 potential to add an additional 500bbls/d and the addition of c.2mmstb 2P reserves from 2C
 - Status: planning application submitted, planning committee meeting awaited

Corringham

Decision Gate 4



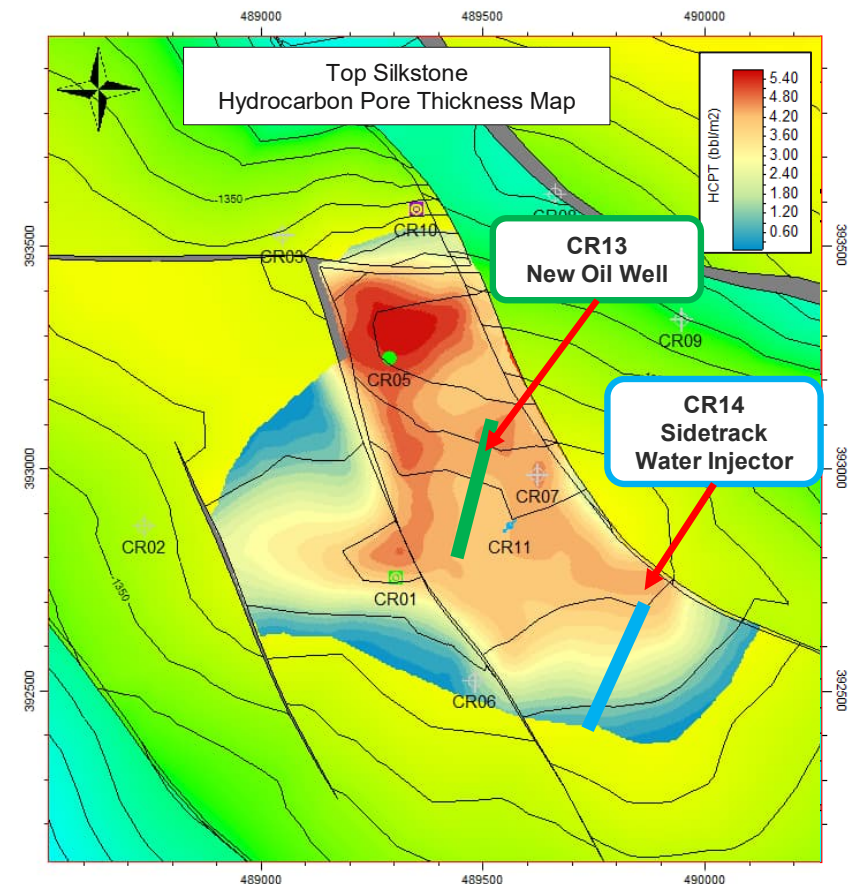
Description

- The project involves drilling a new, low risk production well (CR13) into the Silkstone reservoir to produce undeveloped oil down dip of existing CR05 production well, the only producer in the reservoir producing c. 20bopd with a water cut <2%
- Subject to the success of Phase 1, a water injection well (CR14) could be sidetracked from CR11 at a later date to improve oil recovery through waterflood and pressure support

Production Reserves Impact

- Base case peak oil production of **c.110 bopd** from CR-13
- Opportunity to develop **c.350 Mstb** of currently 2P undeveloped
- Potential to de-risk future water injection sidetrack currently estimated to deliver an incremental **935 Mstb** of current 2C resources
- Drilling a single production well is considered a low-risk development **GCoS:81%**

Corringham CR13 Silkstone Producer	
\$75/bbl, 2% inflation	Mid Case
CAPEX, £m	£4.9m
Peak Production rate, BOPD	110
NPV, £m	£3.9m
IRR, %	28%
Payback period, yrs	3.75



Bletchingley

Oil Plant Upgrade and Gas to Wire

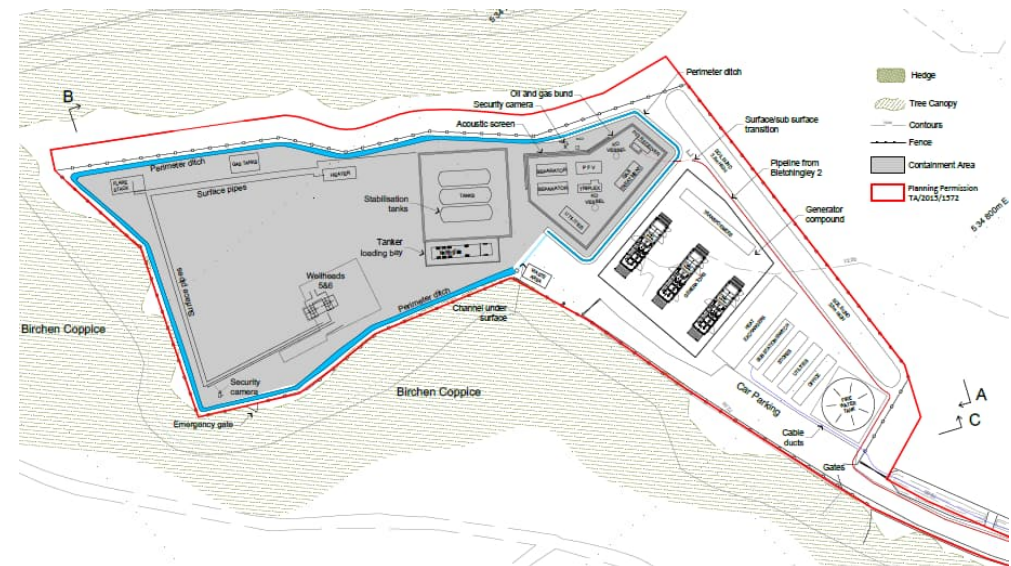


Description

- To upgrade the existing Bletchingley Central site
- To workover, and bring into production, the BL2 well, lay a pipeline between BL2 and Bletchingley Central and install 6MW of power generation capacity on Bletchingley Central

Economics and Reserves Impact

- Oil plant upgrade will reduce OPEX, make site easier to operate
- Strong Gas to Wire project economics
- Brings on c.200 boepd of production
- Gas to wire project will
 - allow the removal of diesel generators, will
 - eliminate flaring



Bletchingley GtW (BL2)

Cornwall Insights, Feb23	Mid Case
CAPEX, £m	£10.5m
Peak Production rate, boepd	c.200
NPV, £m	£37.8m
IRR, %	85%
Payback period, yrs	1

Glentworth

Decision Gate 2 progressing through design.



Description

Undeveloped oil within the Mexborough Rock Reservoir, west and up-dip of the existing Glentworth production wells. Forecasts generated from the history matched dynamic model suggests drilling a horizontal production well will increase recovery

Production Reserves Impact

Phase 1 - GL12/12z

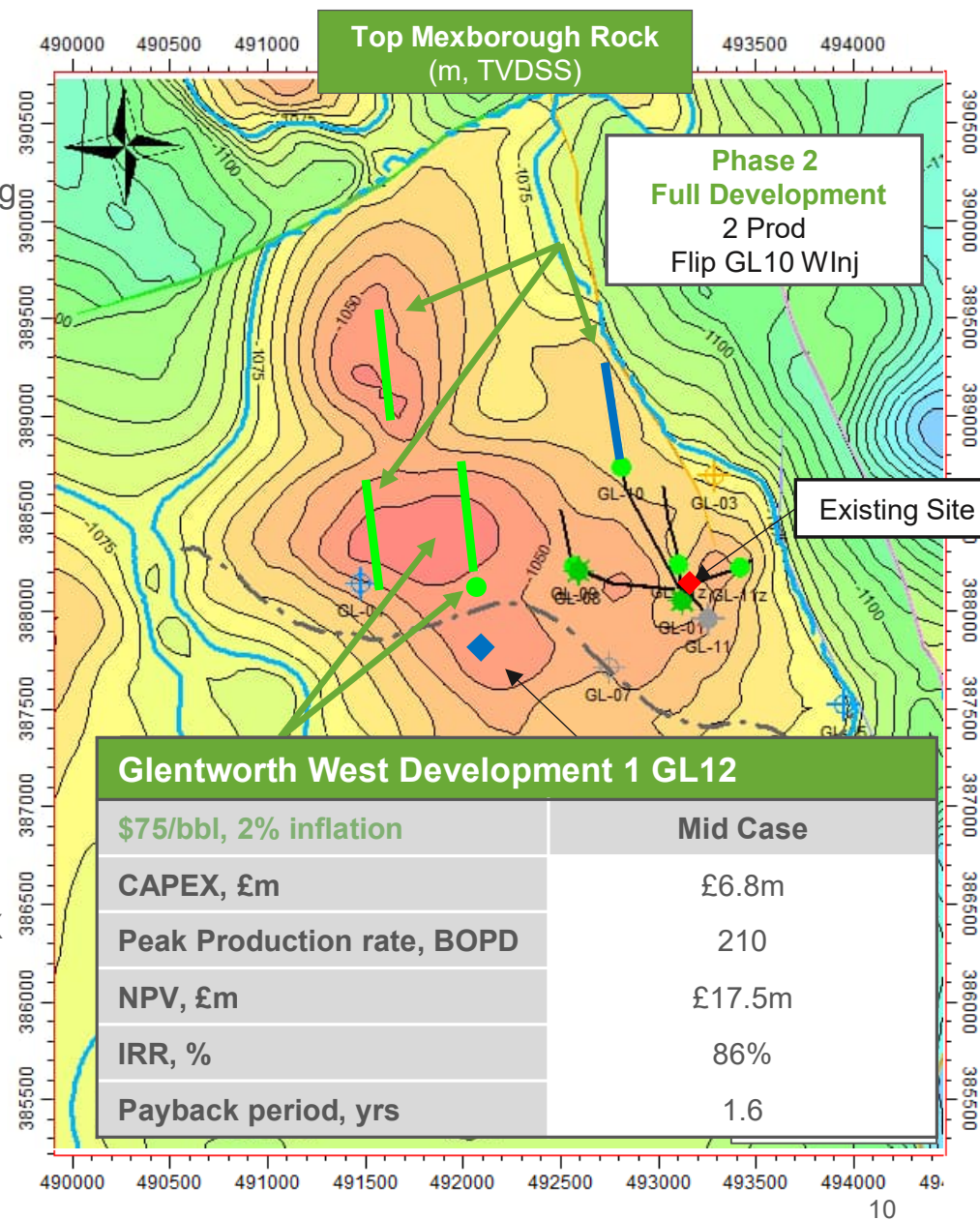
- Increase field oil production with base case incremental peak oil production of c.200 bopd
- Develop 1.0MMstb 2P undeveloped reserves
- Potential to de-risk further production wells and water injection from new site.

Phase 2 (Contingent on Phase 1)- Two New Producers & convert GL10 for Water Injection

- Potential to increase oil production by a further c. 550 bopd
- Convert 2.2MMstb 2C to 2P developed reserves
- Installation of separation and injection facilities will reduce OPEX

Key Project Risks and Uncertainties

- Planning application is refused.
- GCoS 63%, Reservoir is deep to prognosis and/or poorly developed



Stoke on Trent

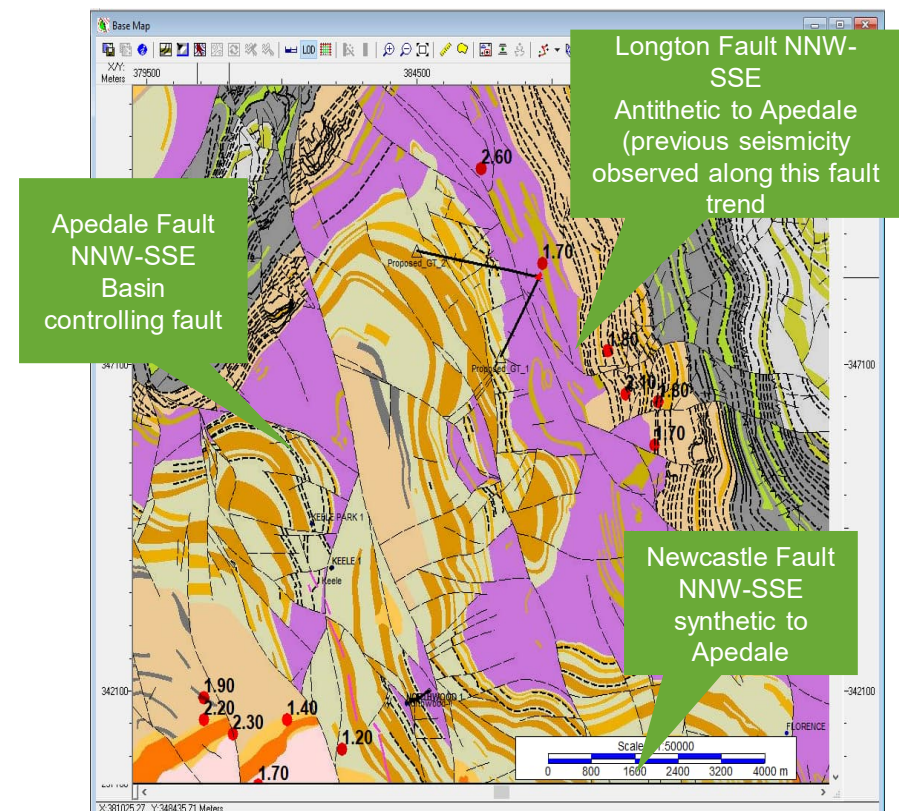
Heat from Deep Geothermal



Description

- Construction of a deep geothermal facility supplying at least 66GWh of heat to the city of Stoke consisting of;
 - Well doublet targeting Carboniferous limestone at depths c. 3200m and temperatures of $>110^{\circ}\text{C}$
 - On-site energy centre with heat exchanger connection to city-wide DHN (District Heat Network)
- Green Heat Network Funding from DESNEZ
 - In partnership with SSE
 - £17.6m (~50% of project CAPEX)
 - Remainder of funding through project finance
- First of a kind project for UK; replicating 100s of existing projects in Europe

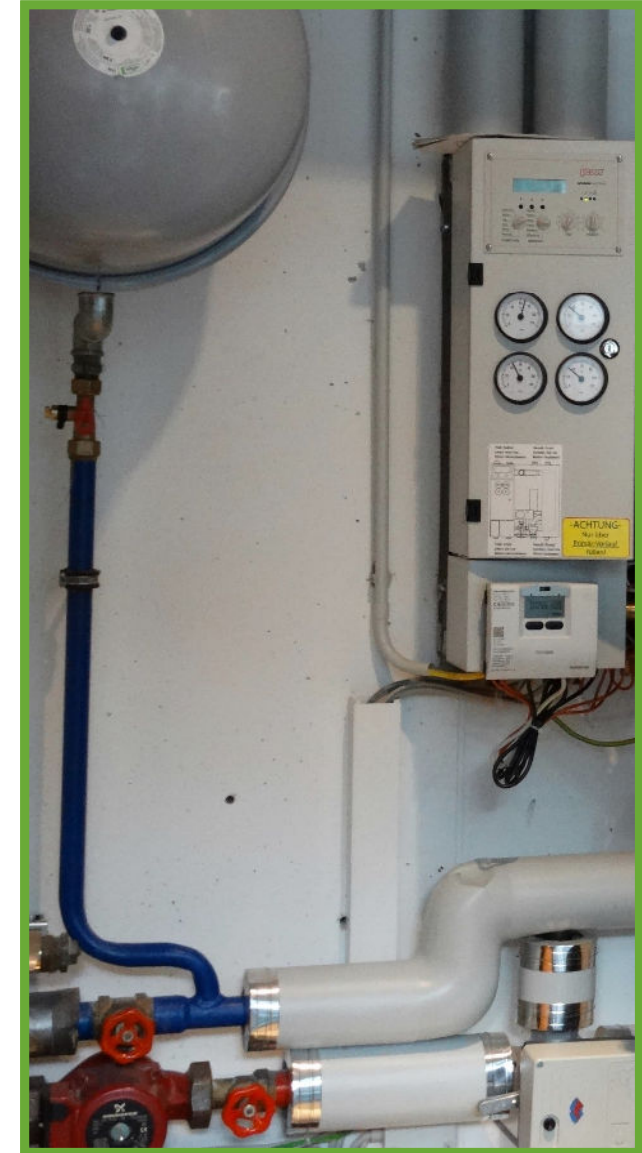
Stoke-on-Trent Geothermal	
Draft Terms (per GHNF appl)	Mid Case
CAPEX, £m	£33.6m
Annual Heat Sales, GWh/yr	80
NPV, £m	£21.5m
IRR, %	21%
Payback period, yrs	7.8



Geothermal

Project Pipeline

- Strong and maturing pipeline of opportunities
- In active discussion with customers for 35 projects and growing
- Strong public sector play with focus on large single off-takers
- Customers recognising skill set derived from oil and gas experience
- Targeting project IRRs of 15-25%



Summary and Outlook

- Business transitioning to renewable opportunities underpinned by oil asset cash flows
- Production remains strong with focus on accelerating near term opportunities with short pay-back
- Focus on profitability and high-grading of portfolio
- Strong geothermal pipeline – opportunity set broadening
- GHNF grant award nearing decision point
- NHS Trust tenders preferred partner status expected Q2

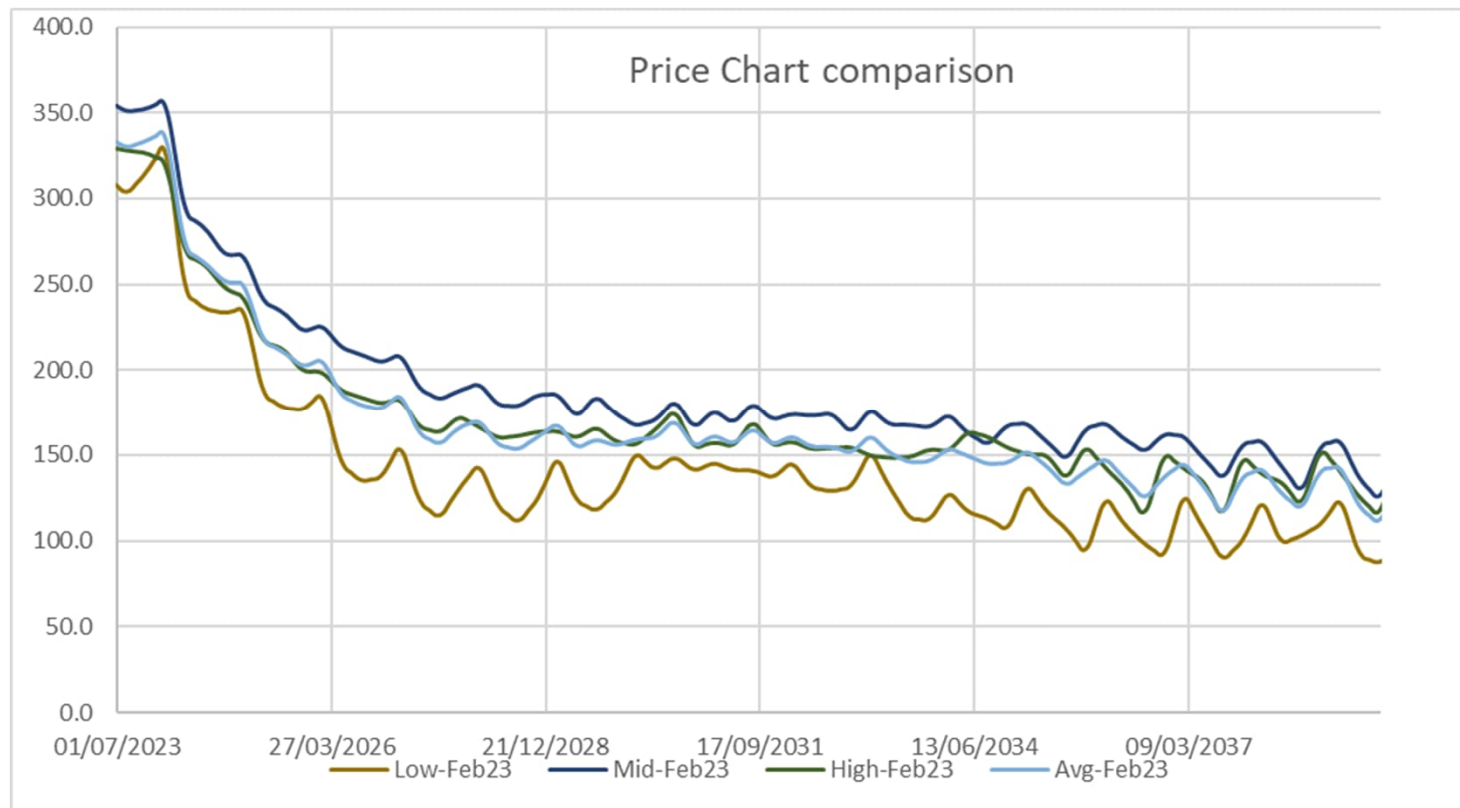


Appendix



Power price curves

Cornwall Insights as at Feb'23



ESG

Sustainable and Responsible Business



- Support United Nations' Sustainable Development Goals and UN Global Compact signatory
- ISO 14001 and 9001 accredited: Environmental Management System and Quality Management System
- Scope 1 & 2 reporting – focus on reducing Scope 2



Environmental stewardship

- Careful site selection screens out protected areas
- Environmental Impact Assessments
- Baseline monitoring before during and after operations – soil, air and water
- Social licence to operate is key to business success
 - Local engagement with all stakeholders: Community Liaison Groups, newsletters, public consultation
 - IGas Community Fund launched in 2008 over £1m distributed to communities local to our operations

HSE

- Continuous monitoring (Oshens/ External HSE audits)
- IGas has attained the RoSPA President's (15 consecutive Golds) Award, for health and safety performance
- IGas Energy trading as "Star Energy Weald Basin Ltd" is listed on the public register for COMAH establishments

Governance

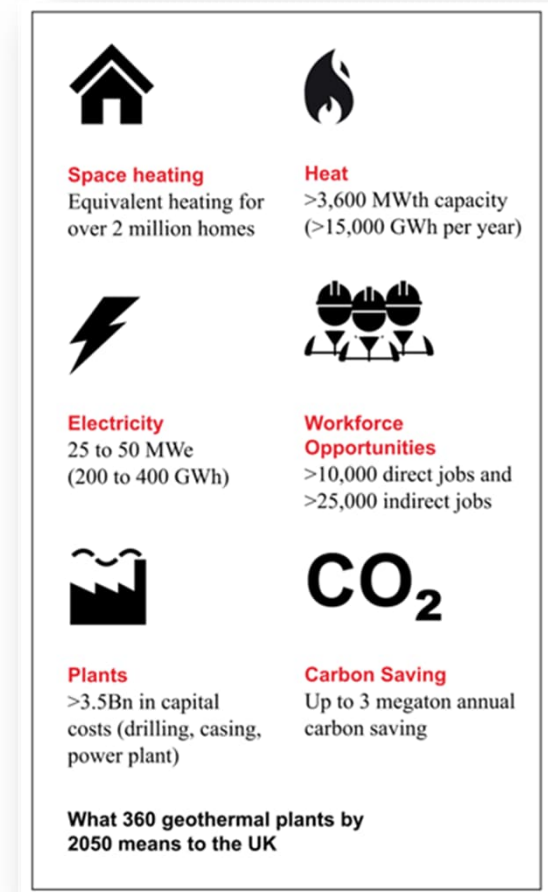
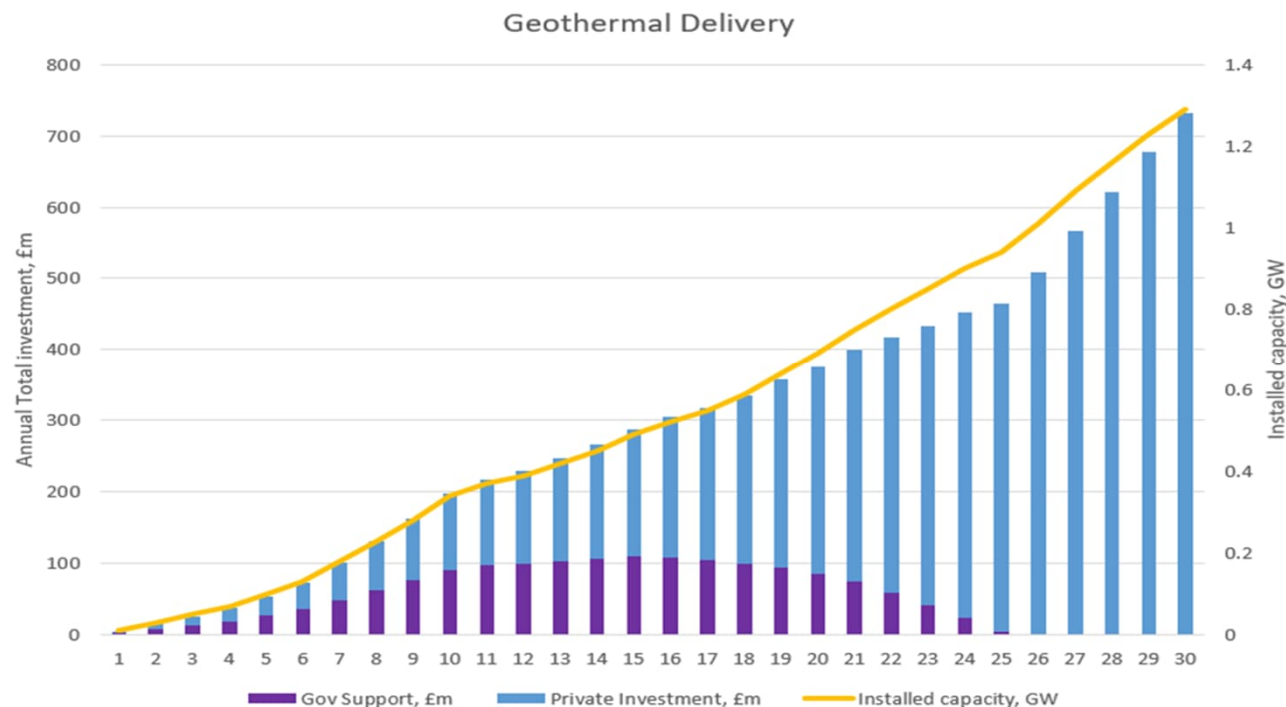
- Adopted Quoted Companies Alliance Corporate Governance Code, 2018 edition (the "QCA Code")
- Board composition: 40% female
- Key policies in place: Bribery and Anti-corruption; Equality & Diversity

Decarbonising large-scale heat in the UK

Size of the Prize



- Currently no other low carbon technology that can decarbonise heat on a large scale in urban areas
- Removes requirement for expensive building retrofits
- Domestic solution provides security of supply
- Material solution for renewable heat in the UK c.360 projects by 2050
- **500MW** capacity within 10 years. Immediate growth with **shovel ready projects**



Key outputs from ARUP Report:

Why Geothermal?

Ideal solution for deployment of renewable heat in urban areas



Geothermal has **cross community support** ranging from environmentalist to industrialists

PROVEN TECHNOLOGY

- Systems in operation since 1892
- Resource life of 100+ years
- Hundreds of plants in operation across Europe
- Indigenous resource
- Supply chains and skillsets in available in UK

ADVANTAGES

- Zero emissions
- Low visual impact
- Welcomed by planning departments
- No feedstock price or supply issues
- 24 / 7 availability
- Price stability
- High temperature
- No need for costly refit to buildings

USES FOR GEOTHERMAL HEAT

- Heating
- Cooling
- Electricity

