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This announcement constitutes a financial promotion for the purposes of section 21 of the Financial Services and Markets Act 2000 and has been approved by W H Ireland Limited which is authorised and regulated by the Financial Conduct Authority.



9 June 2021

Orcadian Energy plc

("Orcadian Energy", "Orcadian" or the "Company" and with its subsidiary the "Group")

Intention to Float on AIM

Orcadian Energy, the North Sea focused, oil and gas development company, is delighted to announce its intention to seek admission of its shares to trading on the AIM market of the London Stock Exchange ("Admission"). Orcadian is also seeking to raise gross proceeds of c. £5 million to progress its assets.

Key highlights:

- Orcadian is seeking Admission to support progress towards the commercialisation of its viscous oil assets located in the UK North Sea.
- The Company's key asset is the 100% interest in the Pilot oilfield, with audited proven and probable reserves of 78.8 million barrels (audited by Sproule BV).
- The Directors believe that no other company has undertaken an IPO on AIM with more proven and probable reserves since 2006, and that when ranked by 2P reserves this will be the largest, UK focused oil and gas IPO on AIM since the market was launched in 1995.
- The Company plans to develop, in phases, the Pilot Oilfield (comprising Pilot Main and Pilot South) and its other key discoveries Elke, Narwhal and Blakeney, using a polymer flood approach. There is also potential for other prospects within the Group's licence areas to be developed using the same method (such as Bowhead and the Elke satellites) if future drilling successfully confirms their suitability.
- Polymer flooding is an established development technique for viscous oil assets which has been proven offshore on the Captain field in the Central North Sea by Chevron and Ithaca.
- The Company expects to pursue in parallel, potential development farm-out and contractor alliances as options for financing the development of its assets.
- The Company has a low emission development plan (see ESG section below), which the Directors' believe is in line with the OGA's Net Zero goals, and which is projected by Crondall to deliver an emissions performance which lies in the lowest 5% of the world's oilfields.
- Previous initial funding was received by Orcadian from Shell Trading International Limited in 2019.
- The Company's strategy is to identify discovered resources, preferably well appraised and most likely on the UKCS; to secure access to those resources; and to create a profitable field development plan which attracts finance either from oil industry partners or financial investors.

Steve Brown, CEO of Orcadian commented:

“Orcadian was founded in 2014 to find the best way to develop the Pilot discovery. Since then, we have added to our resource base, but most importantly we have created a technically mature, feasible development plan for Pilot, based upon the injection of polymerised water right from the start of production.

“Polymer flooding is well proven and, when implemented early in field life, can significantly reduce emissions from viscous oilfields. In addition, we have identified further opportunities to reduce emissions to remarkably low levels. Admission to AIM will give the Company access to some of the capital we need to transform our plans into actionable projects. We look forward to welcoming new investors as we progress this next phase of development of our North Sea oilfields.”

For further information please visit the Company's website: <https://orcadian.energy>

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Background

Orcadian Energy (CNS) Limited (“**Orcadian (CNS)**”) was founded in March 2014 to apply for a 100% interest in licence P2244. This licence contains a shallow viscous oil discovery known as the Pilot field. The Group has subsequently been awarded a 100% interest in licence P2320, which contains the Blakeney, Feugh, Dandy and Crinan discoveries and the Bowhead prospect; and a 100% interest in licence P2482 which contains the Elke and Narwhal discoveries. These three licences are clustered together, approximately 150km east of Aberdeen (in only 80-90 metres of water) in a part of the North Sea known as the Western Platform. The Group was also recently awarded a 50% share in licence P2516, controlled by the Parkmead Group, which lies in the Outer Moray Firth, and which contains the Fynn (Beaully) and Fynn (Andrew) discoveries. All licences are in the UK North Sea.

Orcadian was formed in April 2021 and it acquired Orcadian (CNS) via a share for share exchange in May 2021, in order to facilitate this IPO.

The Directors believe that the Group has the following key competitive strengths:

- **Proven reserves:** the key development project in the Group’s portfolio, the Pilot low salinity polymerflood scheme has a pre-tax NPV* of approximately US\$160 million on the basis of the proven reserves alone.
- **Substantial 2P reserves:** the Group has 79 MMbbl of 2P reserves. Measured by the metric of 2P reserves this will be the largest, UK focused, IPO on the AIM market since it was established in 1995.
- **Significant upside:** with 78 MMbbl of economic 2C contingent resources and 191 MMbbl of unrisks prospective resources, the Group has material upside opportunities.
- **Chairman:** Joe Darby, Chairman, is very well known in the international energy community. He is particularly well-known for his role, acting as CEO, in growing LASMO’s production to 170,000 boe/d. LASMO was successfully sold in 2001, while Joe Darby was acting as CEO.
- **Shell:** After a due diligence process, Shell provided a US\$1.0 million long-term facility to Orcadian (CNS), alongside which, the Company entered into an offtake agreement in respect of oil produced from the Pilot field.
- **Oil price outlook:** The World Bank has outlined strong oil price fundamentals and the Directors believe that the oil price is more likely to strengthen due to underinvestment in the upstream sector.
- **Environmental considerations:** Polymer flooding can significantly reduce carbon dioxide emissions of viscous oil developments. Orcadian Energy has identified opportunities to further reduce its carbon dioxide emissions and is considering a power connection to locally situated wind turbines and/or tying the Pilot project into the national electrical grid.
- **Potential Sector Leader:** The Directors believe that the assets and the board of Orcadian Energy have the makings of a potential leader in North Sea heavy/viscous oil production.
- **Consolidator:** For the first time in the history of the UK North Sea, under Orcadian Energy, the entirety of the most significant viscous oil discoveries on the Western Platform have been consolidated in the hands of a single operator.
- **Oil prone licence area:** 16 of the 17 wells drilled in the company’s core licence area (P2244, P2320 and P2482) have encountered oil.
- **Timing the cycle:** The Directors believe that the Orcadian Energy proposal timing is in line with the oil price cycle; and are confident that the timing could not be better for developing the Pilot field.

* calculated by Sproule BV and subject to various assumptions including a long term oil price forecast of US\$55 per barrel for Brent in 2023 (with an escalation rate of 2% thereafter); and a 10% discount rate. Further details will be set out in a Competent Person's Report to be contained in the Admission Document to be published on Admission

Future strategy

The Group's strategy is to identify discovered resources, preferably well appraised and most likely on the UKCS; to secure access to those resources; and to create a profitable field development plan which attracts finance either from oil industry partners or financial investors. The Group has submitted a Concept Select Report to the Oil and Gas Authority (the "OGA") and following the completion of some additional work the Company expects to receive a "Letter of no Objection" to the selected concept. To secure the OGA's approval of a Field Development Plan, further detailed work must be undertaken and substantial capital must be secured.

The estimated cost to achieve first production from the Pilot fields is US\$1bn. One of the key activities for the Company after Admission will be to source and secure the finance for the project. Whilst the Company will explore all avenues for funding, it is anticipated that the main potential sources of funding will be: (i) vessel leases and deferred payment agreements with contractors; (ii) debt; (iii) further equity; (iv) or the farm-out of an interest in the licences to a well-financed oil and gas company. The Directors anticipate that the final financing package for Pilot will incorporate most, or even all, of the above-mentioned options.

Whilst the Directors' objective will be to retain as large an interest in the Pilot field as possible for the benefit of its shareholders, it will be necessary to share some of the profit from the development with financing partners. It is possible that such proportion could be substantial.

Reason for Admission and Use of Proceeds

The Directors believe that Admission is an important step in the Group's development, and accordingly the proposed use of proceeds from Admission will be applied to:

- Pilot: Progression towards Field Development Plan ("FDP"); including the completion of the environmental baseline survey and an FPSO market approach with Crondall;
- Ongoing licence fees for the licences held by the Group;
- Bowhead: purchase of recently reprocessed 3D seismic and interpretation thereof;
- To progress appraisal work on other licences held in the Group; and
- For working capital purposes.

Orcadian Portfolio

A summary of the Company's licences, is set out in the table below:

Asset	Operator	Orcadian Interest	Status	Term Expiry	Phase Expiry	License Expiry	Licence Area (km ²)
Pilot Field (includes Pilot Main and Pilot South fields), UK, P2244, Block 21/27a	Orcadian Energy (CNS) Ltd "Subsidiary"	100%	Exploration	30 th Nov 2022**	n/a	30 th Nov 2040	43.2
Blakeney Field, UK, P2320, Block 21/27b	No Operator License admin. Subsidiary	100%	Exploration	14 th May 2024	14 th May 2022	14 th May 2047	447.9
Elke and Narwhal Fields, UK, P2482, Block 28/2a and 28/3a	No Operator License admin. Subsidiary	100%	Exploration	14 th July 2027	14 th July 2022	14 th July 2051	361.6
Fynn (Beaully) & Fynn (Andrew), UK, P2516, 14/20g, 15/16g	No Operator License admin. Parkmead (E&P) Limited	50%	Exploration	30 th Nov 2026	30 th Nov 2023	30 th Nov 2050	19.9

** The Directors recognise there is a reasonable possibility that the conditions for the licence to continue into the Third Term may not be satisfied by the stated deadline and accordingly a term extension may need to be sought from the OGA. There can be no guarantee that such an extension will be granted but the directors are confident that such an extension will be granted provided that the Company continues to work to satisfy the conditions

General Background

The area over which the Company holds its core Licences sits on the Western Platform and Western Central Shelf within the Central North Sea, positioned around 25km west of the main (Jurassic aged) central Graben basin bounding fault zone. Fourteen wells and three sidetracks have been drilled to find and appraise the viscous oil discoveries within Orcadian's licences. Pilot is well appraised with seven reservoir penetrations; Elke, Narwhal, Blakeney, Feugh, Harbour, and Crinan are all single well discoveries, whilst Dandy has three wells. The region also has high quality 3D seismic data coverage. A newly reprocessed seismic volume will be purchased using part of the placing proceeds from the IPO.

The primary oil target in the Pilot, Blakeney, Elke and Narwhal fields is the Eocene-aged Tay Formation, which is trapped in the area by structural or combined structural / stratigraphic traps, On Pilot the volumetrically significant stratigraphic element is created by the updip shale-out of the main reservoir sand. The regional seal for the Eocene-aged sand fairway is provided by intraformational shales and the predominantly argillaceous deposits of the overlying Hordaland Group.

The Tay sandstones throughout the area generally exhibit excellent reservoir properties with high porosities and permeabilities, both essential for an efficient and effective polymer or water flood. Typically, the sandstones are massive, and shales are absent, but in the more distal areas towards Fyne, Dandy and Crinan the sandstone quality deteriorates and becomes significantly more interbedded with a reduction in the net to gross ratio. Each significant discovery or prospect is described separately.

Pilot Main and Pilot South

Orcadian Energy (through its wholly owned subsidiary) holds a 100% interest in the Pilot field, having been awarded the related licence (P2244) in 2014. Pilot lies in the Eocene Tay sands; and has been ascribed 78.8 million barrels of proven and probable (2P) reserves by Sproule BV and 2C contingent resources of 10MMbbls. The Pilot field contains viscous oil with API densities of 12°-17° and with viscosities ranging from 160 cP to 1,200 cP. The Pilot reservoir is of an exceptionally high quality, with porosities of 30-36% and permeabilities of 2-8 Darcies. The geological structure of Pilot is a straightforward 3-way structural closure with a pinch-out to the west. Pilot has been appraised, prior to Orcadian acquiring the licence, by five wells with seven separate well penetrations. The P2320 licence also covers feeder channels which are extensions of the Pilot field (29 MMbbls of unrisks prospective resources).

Fine to medium grained, commonly structureless, sandstone forms the reservoir within the Pilot and Harbour discoveries. Clay volume in the reservoir section is very low and is confirmed by core petrography. Porosity calculated from logs in the reservoir section, in Pilot Main, is about 35%. The sandstone grain size and sorting are mainly fine (upper) to medium (lower) and are moderate to well sorted.

The Pilot Main and Harbour oilfields were discovered by Fina in 1989, with the Pilot South Field discovered in 1990. Fina conducted a thorough appraisal of the discoveries by drilling several new wells, before Venture drilled the most recent appraisal well in 2007. Sproule has audited the Company's geological, geophysical and petrophysical interpretations based on data from a Petrel database, in addition to well reports. A detailed review of the assets will be found in the Competent Persons Report ("CPR"), which will be included as Part III of the Admission Document, if published.

Pilot Development Plan

Orcadian Energy plans to develop the Pilot field in due course through the installation of two lightweight wellhead platforms each with 20 slots to drill horizontal wells at 100-metre spacing in the northerly part of the field where the oil is more viscous; and at 150-metre spacing in the southerly part of the field where the oil is less viscous. Drilling services are expected to be provided by a leased jack-up rig located over the wellhead platforms during the drilling campaign.

The intention is that the Company will connect the FPSO to the wellhead platforms by way of subsea pipelines and a cable to supply them with power. The produced fluids from the wells will be co-mingled

in a slug catcher on the WHP and the gas and liquids will be piped separately to the FPSO for separation, water treatment, storage and export. The FPSO will transfer high pressure low salinity water and cleaned and pressurised produced water to the WHPs for injection into the reservoir. An emulsion-based polymer will be mixed with the injection water in static mixers installed on each injection well flowline, so that the concentration of the polymer and hence the viscosity of the injection water can be optimised on a well-by-well basis.

To manage the challenges presented by the high viscosity and low API of the Pilot crude, the Company has selected some additional technologies which are new to the North Sea, the V pump for artificial lift and the conversion of a number of tanks in the FPSO into wash tanks for crude dehydration.

The development project described in this section is not included in the use of proceeds and the Company will need to raise further funds to progress the above activities.

Blakeney

Orcadian Energy holds a 100% interest in Blakeney (P2320), which has 25 MMbbls of 2C contingent resources; (see the CPR to be included as Part III of the Admission Document). Like the Pilot field Blakeney contains a viscous oil with API densities of 14.5° and with a reservoir viscosity of 291 cP. The Blakeney field was discovered by Wintershall in 2010. The Directors believe that this reservoir is of excellent quality, with high net-to-gross, porosity and permeability.

Bowhead

Bowhead is the flagship prospect in licence P2320 and is considered by the Directors to be low-risk (49% geological chance of success) and highly attractive. The Bowhead prospect has 43 MMbbls of unrisked prospective resources; (see the CPR to be included as Part III of the Admission Document).

Bowhead lies just to the North of Pilot, and could likely be developed as part of the Pilot development project through a third wellhead platform. Therefore, the Directors believe that de-risking and preparing the Bowhead prospect for drilling would materially enhance the attractiveness of the overall project and be beneficial to the Company. Part of the use of proceeds of the IPO is to raise funds to acquire seismic data to assess the viability of an exploration well on the Bowhead prospect.

As part of the condition of progressing to the next term of licence P2320, the Company needs to be able to demonstrate to the OGA, by early 2022, the financial capacity to drill a well on the licence. The Bowhead prospect is the favoured location for a well and such a well is estimated to cost in the region of £8m. This expenditure is not included in the Use of Proceeds and at this stage there can be no guarantee that the Company will have this funding in place by the required deadline. Therefore, there is a possibility that the Company will be required to surrender this licence due to a failure to meet the licence conditions. The Company has agreed to purchase, from TGS, newly reprocessed 3D seismic over the Bowhead prospect, with proceeds from the IPO. This new seismic will then be interpreted and an optimal well location selected. The Company will then consider whether to farm out the prospect (if a suitable farm out partner can be identified) or consider other options for raising finance.

Elke and Narwhal

Orcadian Energy holds a 100% interest in licence P2482 that contains the Elke and Narwhal discoveries which lie to the Southeast of Pilot and have 53 MMbbls of 2C contingent resources. There are five potential satellites to the Elke field with a further 61 MMbbls of unrisks prospective resources and a part of the main Elke discovery, currently classified as 3C which would add 22 MMbbls of 2C resources if successfully appraised (see the CPR to be included as Part III of the Admission Document).

Like Pilot, the Eocene Tay Sandstone Member is the main reservoir. Reservoir thickness is 175 to 200 ft and net to gross is approximately 100%. The calculated porosity is around 36%. The Elke and Narwhal discoveries lie within channel-fill sandstones.

Narwhal was discovered by ARCO in 1993 and Elke was discovered by Murphy in 2000.

Feugh, Dandy & Crinan

There are also a number of small pools on the licences which have unaudited 2C contingent resources.

Fynn

Licence P2516 covers Blocks 14/20g & 15/16g (Orcadian 50% in partnership with Parkmead who will be appointed operator) situated in the Outer Moray Firth, midway between the Piper and Claymore fields. These blocks contain two undeveloped oil discoveries, Fynn Beaully and Fynn Andrew, as well as an oil prospect in the Piper Formation.

Summary of Reserves							
Oil Reserves (MMbbl)	Gross (MMbbl)			Net Attributable (MMbbl)			Operator
	Proved	Proved and probable	Proved, Probable and Possible	Proved	Proved and probable	Proved, Probable and Possible	
Pilot (polymer flood)	58.4	78.8	110.5	58.4	78.8	110.5	Orcadian Energy (CNS) Ltd
Total for Oils and Liquids	58.4	78.8	110.5	58.4	78.8	110.5	

Source: Sproule BV

Gross are 100% of the reserves and/or resources attributable to the licence whilst Net attributable are those attributable to the Company

Summary of Contingent Resources										
Oil Contingent Resources (MMbbl)	W.I.	Gross (MMbbl)			Net Attributable (MMbbl)			Maturity sub-class	Risk Factor	Operator
		Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate			
Blakeney, Polymer Flood	100%	-	25.1	41.5	-	25.1	41.5	Development on hold	72%	No operator
Elke and Narwhal Fields, Polymer flood	100%	28.6	52.7	142.4	28.6	52.7	142.4	Development on hold	79%	No operator
Total for Oil and Liquids		28.6	77.8	183.9	28.6	77.8	183.9			

Source: Sproule BV

ESG

Orcadian is participating in OGA led discussions regarding a Central North Sea electrification project and has commenced discussions with offshore wind technology companies regarding the potential installation of wind turbines which could supply power to the project. Pilot also has a small gas cap which could be used for storage of excess gas when power is available from a wind farm, and which could also provide a gas supply should electricity not be available. In such circumstances, if it was proven to be economically viable, the Company would adjust the development plan described in the CPR and not install a gas import pipeline, but would instead install a cable and add a substantial c. 20-40MW electrical slip ring to the turret in the Company's proposed Floating production, storage and offloading vessel ("FPSO"). The Company would also include a gas injection/production well in the Pilot East gas cap. Such an approach could reduce carbon dioxide emissions by up to another 50% whether the imported power came from a local wind farm or from the national grid.

In 2018 Science magazine published an analysis of global carbon dioxide emissions from oil production, the data set for which was prepared by a team of twenty-four authors, many of whom were based at Stanford University (Masnadi et al, Science, 2018). The dataset comprises nearly nine thousand producing oilfields which the authors believed represented 98% of global oil production in 2015. Their evaluation estimated the carbon dioxide emission intensity of all the producing fields including emissions of other gases weighted by global warming potential and emissions associated with exploration, drilling and development, production and extraction, surface processing, and transport to the refinery inlet.

On a comparable basis Crondall Energy has estimated that with a production rate of c. 30,000 bbls/day, the Pilot development would emit 2 gCO₂eq/MJ before taking advantage of any electrification opportunity. On the basis of this estimate, the Directors believe Pilot would lie within the lowest 5% of the world's oil supply when ranked by emissions.

Directors

The Board comprises three executive directors and three non-executive directors. Brief biographical details of the Directors are set out below:

Joseph Darby, Non-Executive Chairman (aged 73):

Mr. Darby was educated at the Royal School of Mines where he obtained a first class honours degree in petroleum engineering in 1969. His early career was in drilling and production operations with Amoco and Shell International culminating in reservoir engineering in The Hague, and in Shell UK, engaged mainly in reservoir simulation. After leaving Shell he joined Thomson North Sea and was involved in the development and production of the Piper and Claymore fields in the UK North Sea. He established US and Canadian businesses for Thomson, before joining LASMO plc when it acquired Thomson North Sea in 1989. At LASMO he was appointed to the Board and later became the CEO. Under his leadership LASMO production grew to 170,000 boepd. LASMO was acquired by Eni in 2001. Since that time, he has served on several boards as non-executive director or Chairman. These include Faroe Petroleum, where he was Chairman when the company listed, Mowlem plc, British Nuclear Fuels plc, Centurion Energy and Premier Oil, where he was the Senior Independent Non-Executive Director. He has also served on the board of Alkane Energy and was an Advisor to the board of Setanta Energy BV. He is currently Senior Independent Director at Gulfsands Petroleum plc.

Stephen (Steve) Brown, Chairman and Chief Executive Officer (aged 61):

Mr. Brown graduated from Peterhouse Cambridge with a degree in Chemical Engineering in 1981, before joining BP as a petroleum engineer. Mr. Brown has now been employed in the oil industry in a wide range of technical, strategic and executive positions for thirty-nine years. He is experienced in all aspects of oil and gas field management and financing having worked as an Operator, Joint Venture partner, Contractor and Consultant. During his career he has led three oil companies. In his earlier career he was responsible for two of BP's most successful North Sea developments, the Andrew and Harding oil fields. He led the pre-project team for the Harding development which selected the development concept and reservoir depletion mechanism. Harding Central achieved a 74% recovery factor and was one of BP's lowest cost developments despite being one of the first viscous oil fields to be developed in the UKCS. He was Operations Manager for Andrew during the project execution phase, and acted as Alliance Board secretary, a position which gave him an insight into the operation of the Andrew Alliance. The Andrew Alliance was an innovation in BP's approach to project execution which delivered a step change in project performance on the Andrew development. He also initiated the formation of the Andrew Well Engineering Alliance. After leaving BP he joined Halliburton and assisted in the acquisition of the Sangu gas field in Bangladesh and the Fyne and Dandy fields in the North Sea. He then founded and managed a successful oil and gas management consultancy for five years (Challenge Energy now part of SLR), before joining Petrofac. As VP Business Development for Petrofac Resources he developed numerous investment opportunities, including the acquisition of the Cendor field in Malaysia and the Elke field in the UKCS. He returned to BP in a consultancy role, as Procurement Vice President Corporate and Functions, before founding and listing the Canadian junior Exile Resources as CEO. He was also founder, CEO and co-owner, alongside Aker ASA, of Setanta Energy BV, a development and production company focussed on Gabon and Operator of the Roussette development project. He built the Setanta team and company and prepared the company for IPO prior to Aker's decision to sell the company. In 2014, with Mr. Harding and others, he founded Orcadian Energy to submit a licence application for the Pilot discovery, which Mr. Brown believed to be highly analogous to the Harding field. Mr. Brown is the CEO of Orcadian Energy plc.

Alan Hume, Chief Financial Officer (aged 62):

Mr. Hume is an experienced CFO with significant experience in the oil and gas exploration and production sector as well as the broader energy market. Mr. Hume has held senior finance and commercial roles in the oilfield services, engineering, construction and energy production sectors. Mr. Hume's career started with Halliburton Manufacturing & Services in Aberdeen before moving to London and working for an engineering company. Mr. Hume then moved to Stavanger to work for Rockwater, a Brown & Root company, before moving to Johannesburg to take on the role of Finance & Commercial Director for another Brown & Root company with responsibilities covering a significant part of Sub-Saharan Africa. Mr. Hume moved back to the UK to take on a senior finance role at European Marine Contractors (a joint venture between Brown & Root and Saipem) before moving to a head office role. In 2000 Mr Hume accepted a position at Edison Mission Energy, a subsidiary of American power giant Edison International, he held financial reporting responsibility for power generation sites in Italy, Spain, Sicily, Turkey as well as the UK. After a short spell as CFO in the UAE, Mr Hume returned to the UK and has held CFO roles in private and listed companies in Canada and the UK. During this time, he had experience in bringing companies to market as well as leading acquisition and disposal activities. Mr. Hume has been with Orcadian since January 2018. Mr. Hume is a Fellow of the Chartered Institute of Management Accountants.

Gregory (Greg) Harding, Technical Director (aged 59):

Mr. Harding graduated from Imperial College, London with a degree in Chemical Engineering in 1985, before joining British Gas as a process engineer and later offshore production engineer in the North Sea Rough Field. He is a Chartered Engineer, European Engineer, and a member of the Society of Petroleum Engineers, the Energy Institute and the Institute of Chemical Engineers. His career in the oil industry covers a period of several decades, during which time he has worked for Operators, Non-Operating Partners and Consultants, primarily in the fields of petroleum and reservoir engineering. On leaving British Gas, Mr. Harding joined Gaffney Cline & Associates where he gained a wealth of international experience in reserves assessment, subsurface development studies and asset evaluation. He then joined Union Texas Petroleum where he was the company's technical representative in the Alba Field Joint Venture, during development of one of the North Sea's early viscous oil projects. Following the takeover of Union Texas by Arco, Mr. Harding joined Kerr McGee Oil and was the company's technical representative in four joint ventures including BP's Wytch Farm field where a programme of record-breaking extended reach drilling was underway. Since leaving Kerr McGee in 1999, he has been an independent reservoir engineering consultant to a number of organisations including SLR Consulting (formerly Challenge Energy) and Premier Oil. The role at SLR has involved acting as a Reservoir Engineering Expert in a number of legal cases as well as supervising the engineering aspects of numerous technical and asset evaluation studies. Over the same period, Mr. Harding has made a significant contribution to the establishment of three new-start oil companies. He was Technical Director of Mercury Oil & Gas, which successfully raised seed capital to pursue production and exploration opportunities in Brazil and was acquired by Eromanga Hydrocarbons (Australia). In the 5 years to 2013 he was Reservoir Development Manager for Setanta Energy, where he supervised subsurface and facilities development screening activities for the Roussette oilfield offshore Gabon. In 2014, he joined Mr. Brown in the establishment of Orcadian Energy to submit a licence application for the Pilot Field and has since been responsible for conceptual subsurface development planning for the field.

Christian Wilms, Non-Executive Director (aged 49):

Mr. Wilms graduated from RWTH Aachen, Germany in 1998 as a physicist. In the same year he joined Shell International E&P and was initially trained as a geophysicist. After three years he changed technical discipline to reservoir engineering where he worked on a viscous oil field development based on steam flood. During his more than 20 years with Shell Mr. Wilms took on various technical and leadership roles in The Netherlands, Nigeria, Qatar, United States and the United Kingdom. In 2019 he moved to MOL Group as Senior Vice President - Subsurface & Field Development where he oversees green and brown field developments for the group including enhanced oil recovery projects based on CO₂ injection and polymer surfactants. Further Mr. Wilms is accountable for Group reserves and he supports business development regarding all field development aspects. Lately carbon capture and storage (CCS) was added to his portfolio. As non-executive director his advisory focus is on integrated field development, EOR processes and reserves. Mr Wilms is the MOL Group's principal representative at the International Association of Oil and Gas Producers.

Timothy (Tim) Feather, Non-Executive Director (aged 53):

Mr. Feather graduated in Law in 1990 from the University of Nottingham, following which he qualified as a chartered accountant with Touche Ross (now Deloitte), based in the UK and latterly in Australia. In 1995 he joined Henry Cooke Lumsden, specialising in providing corporate advice and broking services to companies on the newly formed AIM. He then co-founded a corporate broking division at Brown Shipley, one of the longest standing merchant banks in the City. In 2003 he co-led a management buy-out of that business, forming Westhouse Securities Limited, where as Head of Corporate Finance he focused on advising oil and gas and mining companies. He later joined WH Ireland Limited in 2012 as Corporate Finance Director. In 2018 he became Business Development Director at Sumner Group Holdings Limited, a private conglomerate with interests in mining, healthcare and technology. He became Chief Financial Officer of Sumner Group Mining plc, the mining subsidiary of the group, in 2019. He has over 25 years of public company experience and was an AIM Qualified Executive for many years.

Risks:

Risks include execution risk; economic risk; and Oil & Gas licence risk, including the risk of the loss of licence P2244 within the next 18 months as set out above; and the risk of the loss of licences P2320 (set out in the Bowhead section above) and P2482 within the next 18 months if the required licence conditions are not satisfied (or if the OGA does not grant an extension to the term) . Before subscribing for or purchasing any shares in the Company, persons viewing this announcement should ensure that they fully understand and accept all risks which will be set out in the Admission Document, if published.

Advisers:

WH Ireland – Nomad and Sole Broker

Hill Dickinson LLP and TandonHildebrand – Solicitors to the Company

PKF Littlejohn – Auditors to the Company

Neville Registrars Limited - Registrar

Tavistock Communications Limited – Financial PR

Forward-looking statements

This announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "may", "will" or "should" or, in each case, their negative or other variations thereon or comparable terminology. All statements other than statements of historical fact included in this announcement are forward-looking statements. They appear in a number of places throughout this announcement and include statements regarding the Directors' or the Group's intentions, beliefs or current expectations concerning, among other things, its operating results, financial condition, prospects, growth, expansion plans, strategies, the industry in which the Group operates and the general economic outlook.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and therefore are based on current beliefs and expectations about future events. Forward-looking statements are not guarantees of future performance, and the Group's actual operating results and financial condition, and the development of the industry in which it operates may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. In addition, even if the Group's operating results, financial condition and liquidity, and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. Accordingly, prospective investors should not rely on these forward-looking statements.

These forward-looking statements speak only as of the date of this announcement. The Company and W H Ireland expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

IMPORTANT NOTICES

This is a financial promotion and is not intended to be investment advice.

The contents of this announcement, which has been prepared by and is the sole responsibility of the Company, have been approved by W H Ireland Limited solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended).

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case, in compliance with any applicable securities laws of any relevant state or other jurisdiction of the United States. There will be no public offer of the Company's Shares in the United States.

In the opinion of the Directors, there is a significant risk of civil, regulatory or criminal exposure to the Company and its directors were the Company's Shares to be offered or sold into any of the Restricted Jurisdictions. On this basis, none of the Company's Shares have been, or will be, registered under the relevant laws of any state, province or territory of any of the Restricted Jurisdictions. There will be no public offer of the Shares in any of the Restricted Jurisdictions or any other jurisdiction where it would be unlawful to do so. Subject to certain limited exceptions, none of the Company's Shares may be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, in, into or within any of the Restricted Jurisdictions or to, or for the account or benefit of, any national, resident or citizen of, or any corporation, partnership or other entity created or organised under the laws of, any Restricted Jurisdiction.

This announcement is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 (as amended) of the United Kingdom ("FSMA"). To the extent that this announcement does constitute an inducement to engage in any investment activity included within this announcement and any placing of the Company's securities referred to herein if subsequently made is and will only be, directed at and is only being distributed (A) in member states of the European Economic Area to persons who are who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129, as amended from time to time (the "Prospectus Regulation"); and (B) in the United Kingdom, to persons who are "qualified investors" within the meaning of Article 2 of the UK version of the Prospectus Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"), and who are also (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) otherwise to persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This announcement must not be acted on or relied on by persons who are not relevant persons. Persons distributing this announcement must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with such persons. Other persons should not rely or act upon this announcement or any of its contents.

This announcement is not a prospectus for the purposes of the Prospectus Regulation or the UK Prospectus Regulation.

This announcement does not contain or constitute, or form part of, any offer or any solicitation of an offer, to sell, buy or subscribe for any shares or other securities referred to herein to any person in any jurisdiction, including any Restricted Jurisdiction or in any jurisdiction to whom or in which such offer or solicitation is unlawful. Nor shall it (or any part of it) or the fact of its dissemination form the basis of, or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever. Recipients of this announcement who intend to purchase or subscribe for Shares in the Company following publication of the final Admission Document are reminded that any such purchase or subscription must only be made solely on the basis of the information contained in the Admission Document (and, if relevant, any supplementary admission document) relating to the Company in its final form.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. Any future purchase of Shares at or about the time of Admission should be made solely on the basis of the information contained in the Admission Document. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or its accuracy, fairness or completeness. The information in this announcement may be subject to change.

The anticipated timetable for Admission, including the publication of the Admission Document and/or the date of Admission, may be influenced by a range of circumstances such as market conditions. There is no guarantee that the Admission Document will be published or that Admission will occur. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing

all or part of the amount invested. Persons considering making such an investment should consult an authorised person specialising in advising on such investments.

This announcement does not constitute a recommendation concerning Admission or the Shares. The value of Shares and the income from them is not guaranteed and can fall as well as rise due to stock market and currency movements. On any sale of an investment an investor may get back less than he or she originally invested. Potential investors should consult a professional adviser as to the suitability of the Shares for the person concerned before making any investment decision. Past performance cannot be relied upon as a guide to future performance.

W H Ireland, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with Admission. W H Ireland will not regard any other person as its client in relation to Admission and will not be responsible to anyone other than the Company for providing the regulatory protections afforded to its clients, nor for providing advice in relation to the contents of this announcement or any transaction, arrangement or other matter referred to herein.

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