BLOCK ENERGY PLC

# Delivering on Georgia's energy potential

Corporate Presentation

March 2024

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# A multi-phased opportunity in a proven hydrocarbon region

Already Georgia's largest independent oil and gas company, Block Energy is working to unlock a multi-TCF gas resource spanning the company's licences

**Established presence in Georgia**

- Georgia's largest independent oil and gas company with seven PSCs near Tbilisi
- Pursuing a four-project strategy to unlock full potential of resources and serve Georgia's growing demand for energy

**The opportunity**

- A multi-TCF gas resource declared a strategic asset by the Georgian state
- Supported by revenues generated by Project I
- Project II and Project IV offer further prospectivity


**Current status**

- High-impact farmout campaigns for Projects III and IV
- Developing production and near-term cashflows from Project I

# Delivering a gas resource of strategic importance to Georgia

We are advancing four concurrent projects designed to monetise low-cost, low-risk developments across our assets to reinvest in delivering a multi-TCF gas resource declared a strategic asset by the Georgian state

**Disciplined capital allocation**
Driven by disciplined capital allocation, rigorous cost control, and leading technologies and workflows

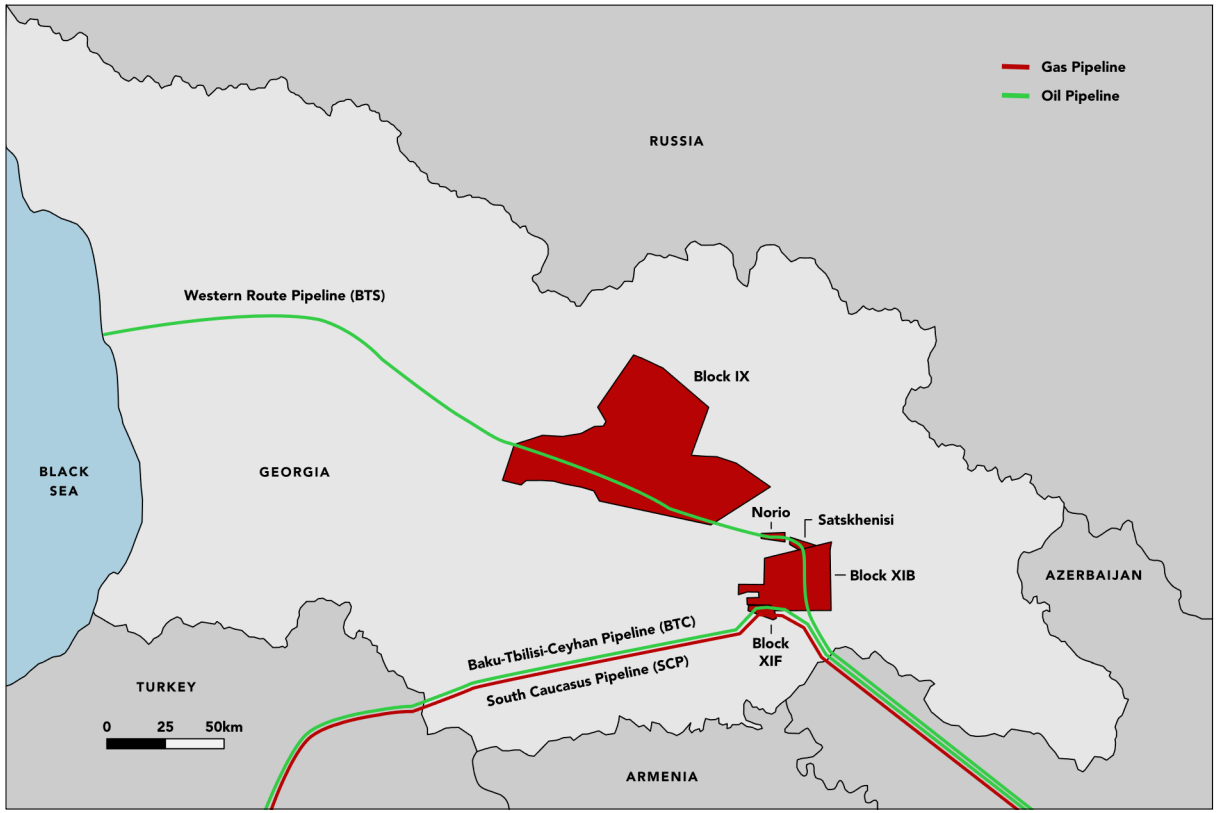
**Farm-out commenced**
Farm-out process underway supported by Independent Engineering Report and independent advisor

**Application of modern technologies**
Use of modern exploration technologies including 3D seismic, attribute analysis, horizontal drilling and other workflows

**360 degree operations**
Full range of upstream activities, including exploration, appraisal, development, and field rehabilitation

**Reserve & resource statements**
Supported by in-house and independent reserve and resource statements

**No minimum work programmes**
Freedom from minimum work programme commitments




Block Energy's assets in Georgia

# Project I: West Rustavi/Krtsanisi oil development

## Developing the Middle Eocene reservoir defined by the intersection of licences XIF and XIB

**Self-developed by Block**
All operations since 2019 - including sales infrastructure, 3D seismic acquisition and drilling - undertaken by Block

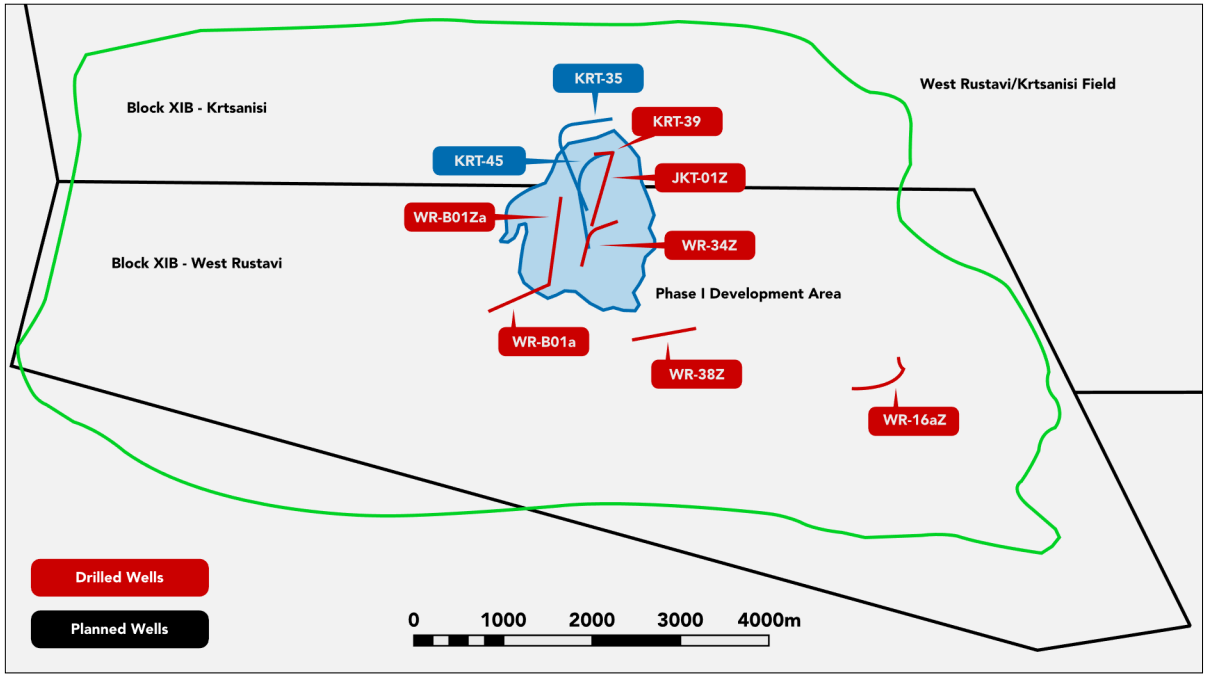
**Supports wider objectives**
Production used to support development of multi-TCF gas resource and continued asset value growth

**Near-term cash generation**
Low-cost drilling from five wells with robust paybacks and development cycle generating near-term cash

**Multiple development zones**
Eight development zones identified, Phase I in progress targeting a five well programme

**Reserve & resource reports**
Development concept supported by independent reserve report and internal contingent resource estimate

**Access to international pipelines**
Proximity to major pipelines BTC (oil) and SCP (gas) opening access to international markets




| | | | |
|---|---|---|---|
| Phase 1 (Krtsanisi Anticline) – ERCE | 1P Gross Reserve (MMbbl) | 2P Gross Reserve (MMbbl) | 3P Gross Reserve (MMbbl) |
| | 0.19 | 1.07 | 3.01 |
| Full Field Development (Block Energy) | 1C Gross Contingent Resource (MMbbl) | 2C Gross Contingent Resource (MMbbl) | 3C Gross Contingent Resource (MMbbl) |
| | 12.5 | 19.5 | 27.5 |

Source: ERCE Independent Reserve Report, 2022; Internal Contingent Resource Report, 2022

# Project I: Reservoir development led by advanced seismic

Advanced seismic techniques including attribute analysis, ant-tracking and AI fracture mapping continues to open up highly fractured regions for ongoing drilling campaign

**Informed by new subsurface work**
Significant subsurface work undertaken within the past two years to interpret complex fractured reservoirs

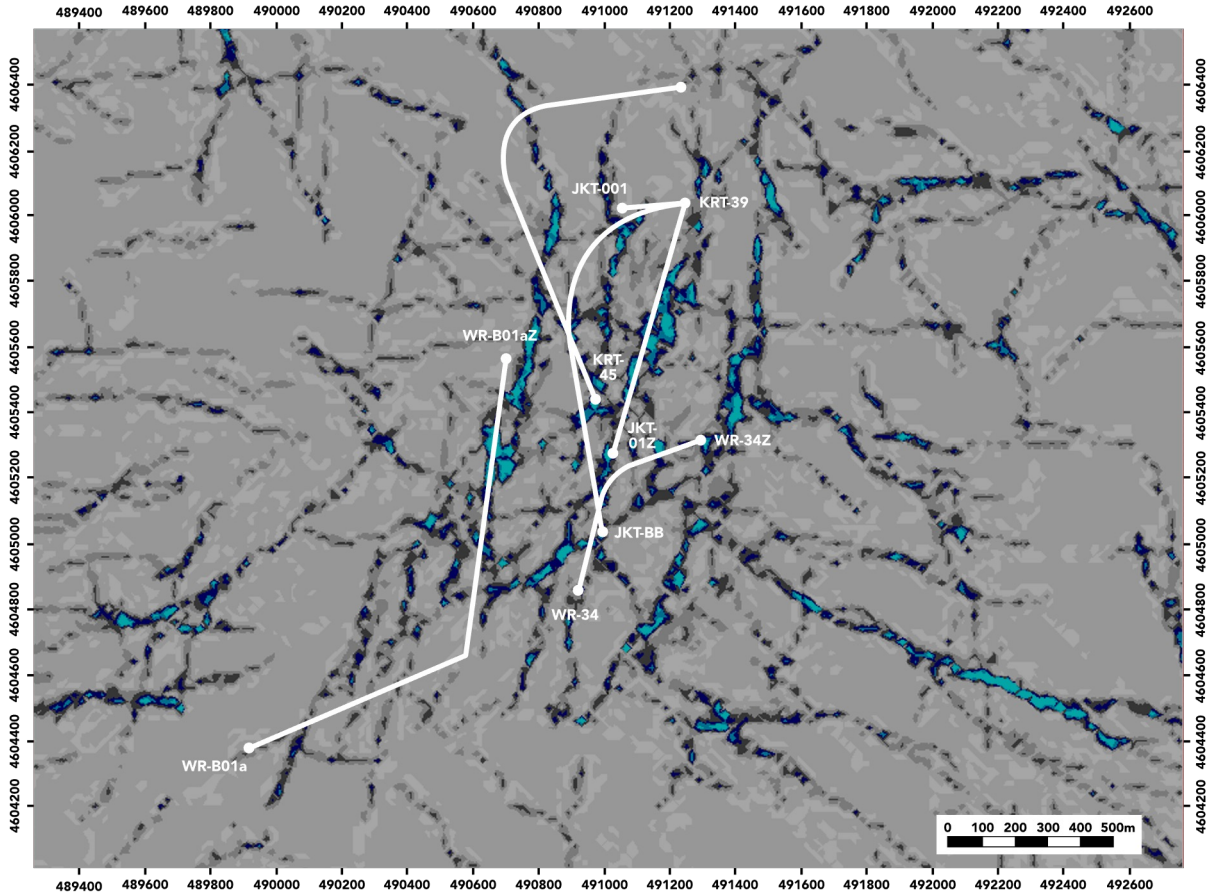
**3D seismic surveys complete**
Integration and full reinterpretation of XIF and XIB 3D seismic surveys already complete

**Fracture zones identified**
3D seismic attributes and ant-tracking technology used to image seismic lineations indicating fracture zones

**Strong production performance**
Multiple wells intersecting lineations defined by geoscience continue to deliver revenues supporting wider strategy

**Data & image-driven technologies**
Five wells drilled to date to unlock contingent resources targeting fracture zones defined by image-driven technologies

**Ongoing analysis**
Analysis of well performance, drilling and production data, static mapping and geophysics continues to identify highly fractured regions



Phase 1 development area seismic lineations and well trajectories

# Project II: Patardzeuli-Samgori oil re-development

Focused on the re-development of the Middle Eocene reservoir of the Patardzueli and Samgori fields with historic production of more than 180 MMbbl and a large legacy well stock proximate to established infrastructure

**Opportunities for low-cost drilling**

Large legacy well stock adjacent to established infrastructure with opportunities for low-cost infill side-track wells to access remaining oil resources

**Significant additional potential**

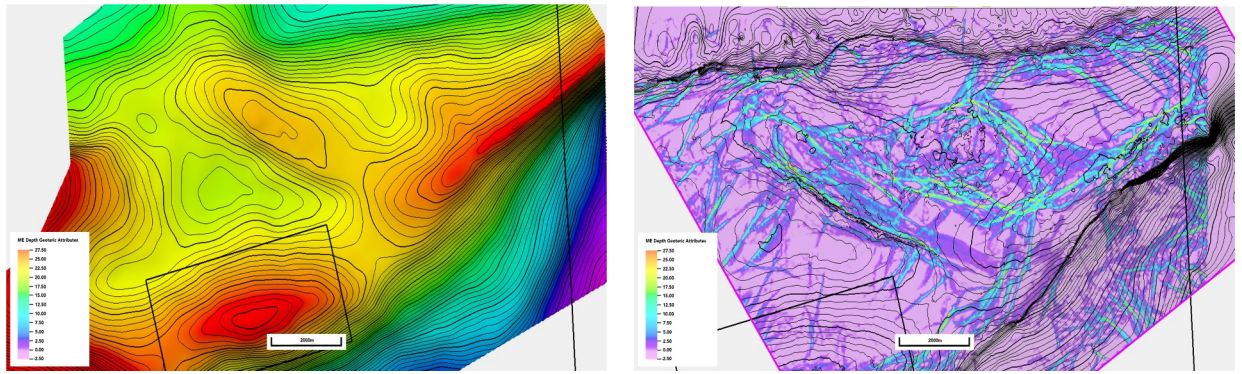
Additional potential within the Teleti and Rustavi fields – both are overlaid by a thinly bedded and aerially extensive Upper Eocene oil reservoir with significant resources

**Potential indicated by appraisal well**

Appraisal well JSR-01 indicated the potential of the redevelopment programme, identifying productive deeper zones of the reservoir

**Ongoing analysis**

Continuing seismic and reservoir studies to identify optimal production technology methods for resource extraction



Geological mapping of Patardzueli-Samgori Middle Eocene before and after the application of image driven technologies for fracture identification and production correlation

| 1C Gross Contingent Resource (MMbbl) | 2C Gross Contingent Resource (MMbbl) | 3C Gross Contingent Resource (MMbbl) |
|---|---|---|
| 105.1 | 235.0 | 396.0 |

Source: Patardzueli Middle Eocene Contingent Resources, Block Energy Internal Contingent Resource Report, 2022

# Project III: Lower Eocene and deeper gas monetisation

Focused on the significant undeveloped gas resource located in the Lower Eocene and Upper Cretaceous reservoirs within Blocks XIB and XIF

**A strategic resource for Georgia**
Declared a strategically significant gas resource by the Georgian state: MoU with the government supporting the concept of long-term gas offtake

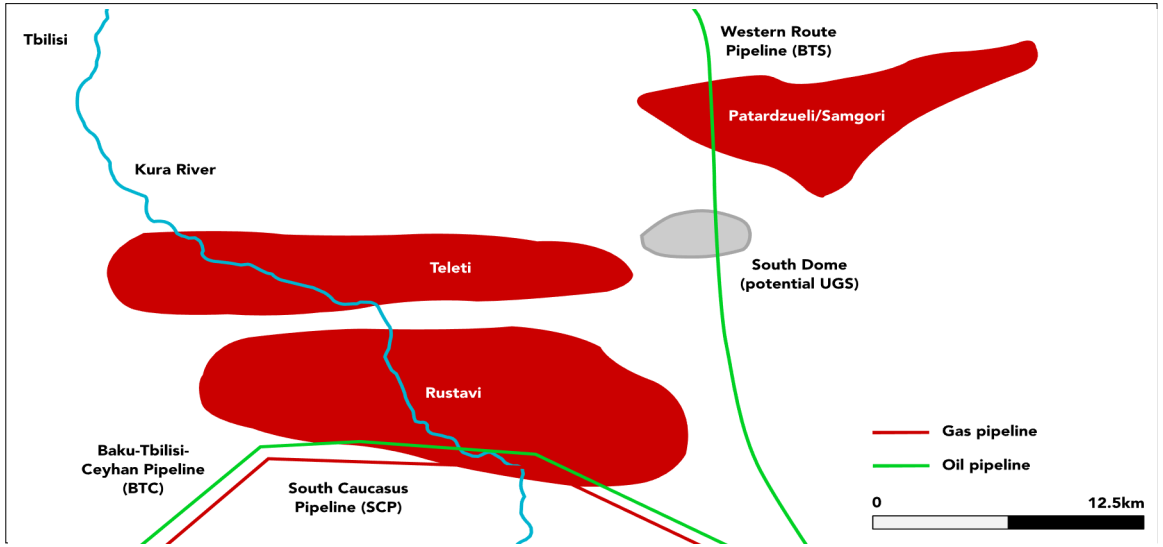
**Significant potential**
30 gas tests in 15 vertical wells confirm presence of gas with rates of up to 200 MCM/d (7 MMCF/d)

**High quality gas**
Quality gas in all reservoirs, with 99% hydrocarbons and no $CO_2$, $N_2$ or $H_2S$

**Proven gas through previous drilling**
Spans three fields and two reservoirs; a deep water fractured clastic (circa 1 km thick) and a fractured shallow water carbonate (circa 0.5 km thick)

**Large anticlinal structures**
In-place gas (GIIP) volumes derive from large anticlinal structures mapped from 3D seismic, and thick reservoir intervals

**Patardzueli-Samgori indicates value**
Mid case independently verified net present value of USD 501 MM




| Recoverable Contingent Resources (BCF) | | | | |
|---|---|---|---|---|
| Field | 1C (Low) | 2C (Mid) | 3C (High) | Mean |
| Patardzueli-Samgori | 926 | 1,072 | 1,222 | 1,073 |
| Rustavi | 884 | 1,062 | 1,245 | 1,064 |
| Teleti | 493 | 638 | 802 | 644 |
| **Total** | **2,303** | **2,772** | **3,269** | **2,781** |

Source: Independent Engineering Report, OPC, 2024 (Patardzueli-Samgori), Block Energy Internal Contingent Resource Report, 2024 (Rustavi & Teleti)

# Project III: A phased strategy opening a path to commercialisation

Initial work leading with a high impact appraisal campaign will focus on confirming reservoir deliverability, building on work completed by Schlumberger from 2016 - 2020

**Re-test legacy wells**

Re-test legacy vertical wells SAM-201 and SAM-202 previously used to supply gas for Middle Eocene oil gas-lift project

**Appraisal well to define gas column**

A down-dip Samgori west-flank appraisal well will confirm the gas column height and volumetrics

**Early Production**

Appraisal plan sees early production rates of up to 30 MMCF/d within 24 months

**Leading-edge technology**

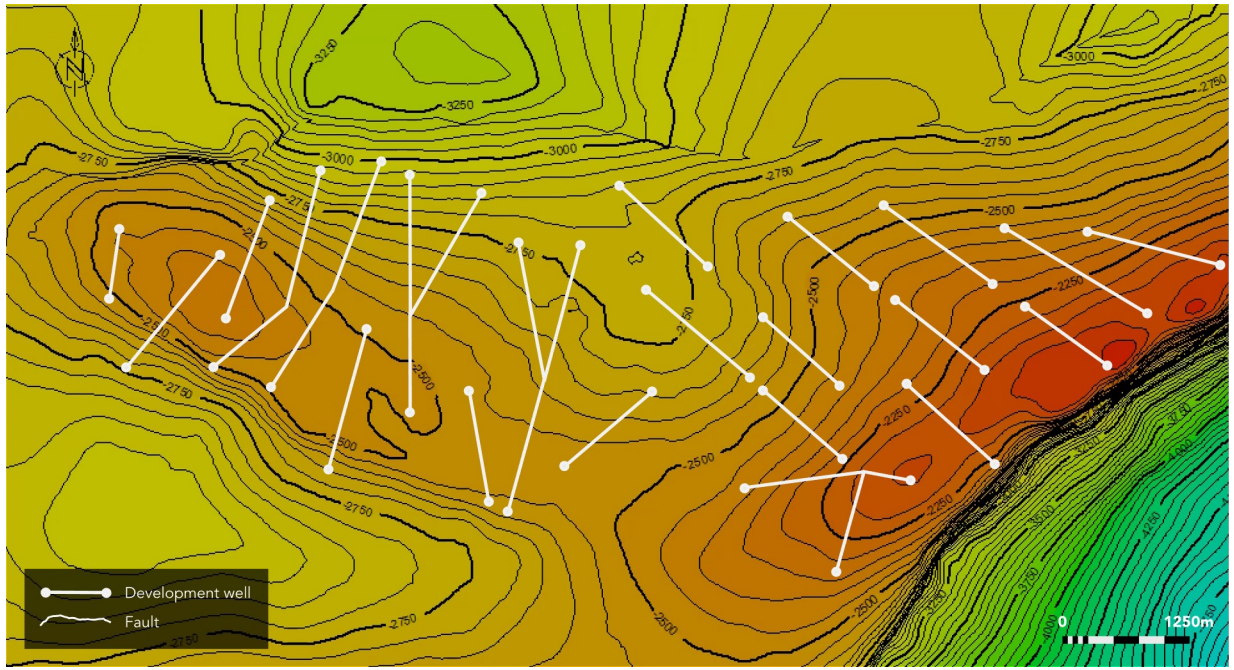
Use of modern 3D seismic and well data interpretive technology to predict fracture systems targeted by high-inclination side-track from PAT-E1

**Additional data acquisition**

Acquisition of additional data, including image logs and core, laying the foundation for robust reservoir simulation and production prediction

**Development Plan**

Costed and independently verified full-field development plan




Well pads and trajectories for full field development of Patardzueli-Samgori. Source: Block Energy Internal Contingent Resource Report, 2023

# Project IV: Exploration potential across portfolio

Ongoing exploration of the extensive potential across our portfolio - focused on similar structures to the Patardzueli and Samgori fields - targeting Middle Eocene and several other proven reservoirs, including the Upper Eocene, Chokrak, Maikop and Oligocene

**Opportunities for low-cost drilling**
Includes licence IX and JV projects with Georgia Oil & Gas, Didi Lilo and South Samgori (Block interest 50%)

**Potential indicated by appraisal well**
Joint Venture operator, Georgia Oil & Gas acquired 240 km 2D seismic over the Martkopi Terrace prospect in 2023

**Ongoing study**
Ongoing geological and geophysics work to de-risk prospects and continue to develop assets

**Further prospectivity**
Multiple other leads and prospects identified

3D seismic survey commissioned by Block

| | 1U Gross Prospective Resource (MMbbl) | 2U Gross Prospective Resource (MMbbl) | 3U Gross Prospective Resource (MMbbl) |
|---|---|---|---|
| Martkopi Terrace | 135.8 | 239.4 | 420.4 |

Source: DeGoyler McNaughton, 2023. Figures are gross 100%: Block holds 50% of this prospect

# Major Carbon Capture and Storage (CCS) opportunity

Potential for a significant $CO_2$ sequestration and storage project identified within the Patardzueli and Samgori Middle Eocene reservoirs offering opportunity for a net-zero industrial hub in central Georgia

**Capacity amongst the highest in Europe**
Block-commissioned study estimates a $CO_2$ storage capacity ranking – at both reservoir and basin scales – amongst the highest in Europe

**Proven commercial options**
Opportunity to permanently inject $CO_2$ into basaltic rock, a storage technique already in commercial use in Iceland - commercial options include tying the Georgia-Switzerland EU Emissions Trading System agreement with local $CO_2$ sources

**Ideal rock type for mineralisation**
Fractured volcanic tuff is ideal rock type for $CO_2$ storage through mineralization - injection of $CO_2$ dissolved in water creates pore space within the reservoir

**Rapid $CO_2$ fixation**
Permanent fixation achieved in less than a year as compared to 1,000 years in sedimentary systems

**Low cost**
Utilising existing wellbores, the project is low-cost and efficient

| Mineralisation Capacity | Low (MT $CO_2$) | Mid (MT $CO_2$) | HIgh (MT $CO_2$) |
|---|---|---|---|
| Patardzeuli $CO_2$ | 42.0 | 112.0 | 182.0 |
| Samgori $CO_2$ | 15.0 | 39.5 | 64.0 |
| Pat-Sam $CO_2$ | 57.0 | 151.5 | 246.0 |

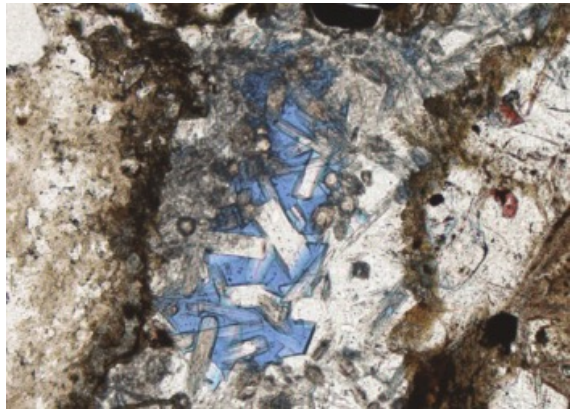


**Table Source:** Oilfield Production Consultants (OPC), 2023

**Left:** Ideal rock type for mineralisation - **z**eolite cement occluding intergranular pore space

# Commercialisation: meeting energy demand in Georgia and beyond

## Block has operated in Georgia since 2017: a business - friendly jurisdiction with a supportive government

**Stable oil & gas sales contracts**
Oil and gas sales - currently to local buyers on Brent-linked and Georgian gas import price linked contracts respectively

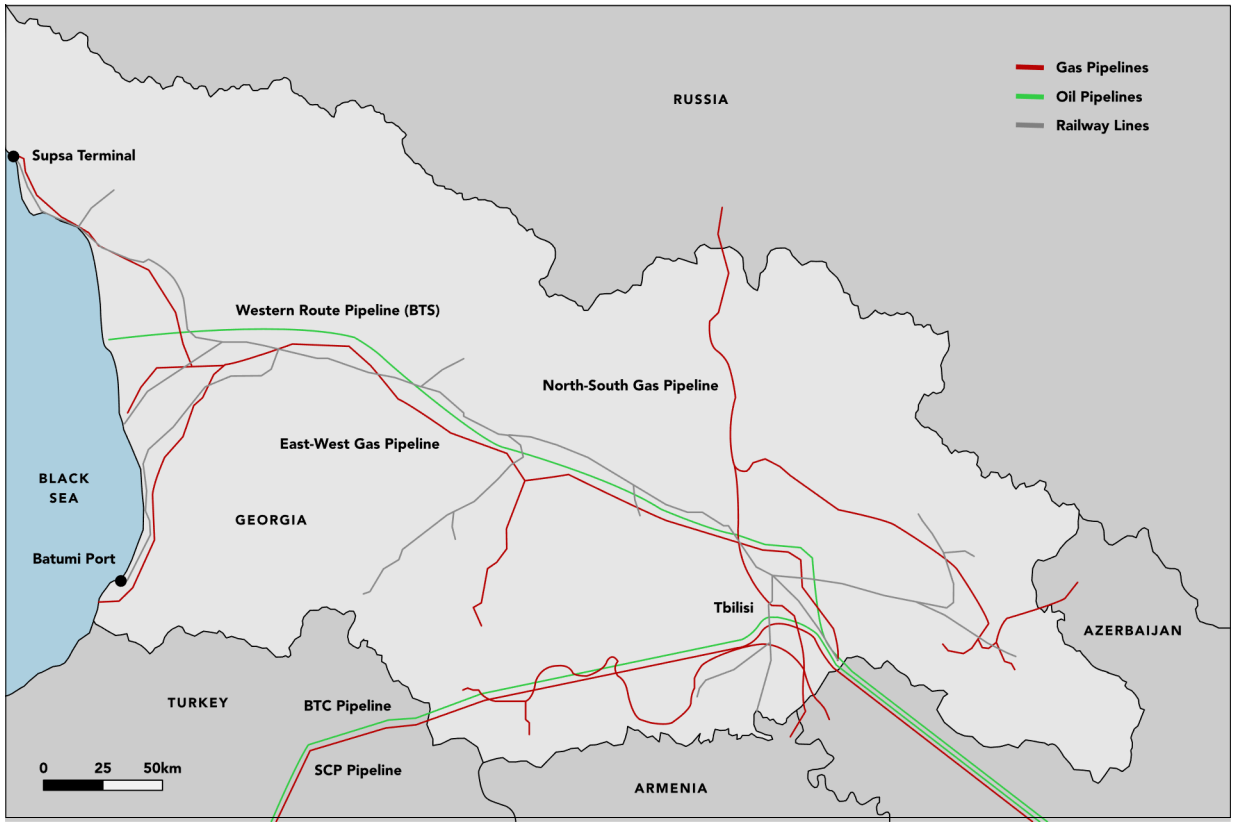
**Highly developed infrastructure**
Established infrastructure, with rail, road, international port, oil, gas and electricity export networks to Europe

**Strong relationships in-country**
Block has developed strong and deep relationships with Georgia's local and national government, and regulators, businesses and communities

**Pressing local demand for oil & gas**
Georgia is heavily dependent on imports, in 2020 importing 99.7% of its natural gas and 97.8% of its oil products

**Low tax rate**
Highly competitive tax rates - effective tax rate of circa 25% on Block's XIF and XIB licences

**Access to major international pipelines**
Longer-term strategy is to access major export pipelines BTC (oil) and SCP (gas) to improve prices and increase volumes




Georgia's oil & gas pipeline and transport infrastructure. Source: Block Energy

# Georgia: a stable business-friendly operating environment

Located at the cross-roads of Europe, Asia and the Middle East, Georgia is a stable political regime with a liberal, trade-oriented economy bound into the global market through membership of international organisations

**Linked to international energy networks**
Connected to the world's energy infrastructure through the Baku-Tbilisi-Ceyhan (BTC) and South Caucasus (SCP) Pipelines - both of which intersect Block's licences

**Liberal regulatory environment**
Georgia's regulatory environment supports a liberalised energy market and ensures a stable framework for production sharing contracts

**Excellent relationship with regulators**
Block – staffed mainly by Georgians with deep experience of the country's energy sector - has excellent relations with regulators and government at local and national levels

**MoU with Georgian state**
MoU with the Ministry of Economy and Sustainability supporting the concept of long-term gas offtake

**Above:** (Clockwise) Levan Davitashvili, Minister of Economy and Sustainable Development of Georgia, Giorgi Tatishvili, Head of the Georgian Oil and Gas Agency meet with Block Energy

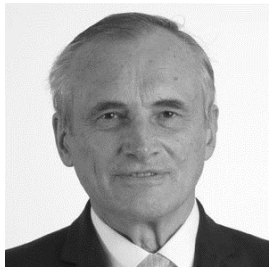
**Left:** Giorgi Tatishvili, head of the Georgian Oil & Gas Agency, with Block Energy CEO Paul Haywood

# Board & Senior Management:

# Directors

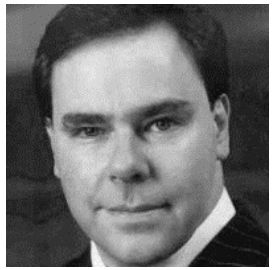
**Paul Haywood – Chief Executive Officer**

Paul is the founder of Block Energy and has more than 12 years' experience in the Georgian oil and gas sector, having identified, managed and completed the acquisition, development and sale of multiple oil and gas assets before establishing Block Energy. More broadly, Paul has spent much of his career building growth projects throughout the MENA region, leveraging a cross-functional skill set encompassing strategy, implementation, capital and transaction management. Paul is currently a non-executive director of AIM listed Synergia Energy and resource focused advisory firm, Plutus Strategies.



**Philip Dimmock – Non-Executive Chairman**

Phillip spent a significant part of his career at BP holding a wide variety of senior positions, including manager of the Forties oil field. Subsequently, his executive roles included VP International/Managing Director at Ranger Oil/Canadian Natural Resources and VP Operations at Vanco. In non-executive board positions, Philip was a director of Nautical Petroleum and Senior Independent Director for Gulf Keystone. He has an MA in Physics from Oxford University.



**Jeremy Asher – Non-Executive Director**

Jeremy is Chair and CEO of Tower Resources. In recent years he has served as a director of NYSE listed Pacific Drilling, Deputy Chairman of Gulf Keystone and as a director of TASE listed Oil Refineries. Previously, he co-headed the global oil products business at Marc Rich & Co (now Glencore) before serving as CEO of PA Consulting Group. He holds a BSc (Econ) from the LSE and an MBA from the Harvard Business School.

# Board & Senior Management:

# Senior Managers

**Guram Maisuradze– Chief Operating Officer**

Guram has served the company for five years, appointed as Chief Operating Officer in recognition of his outstanding record as Operations Manager, where, supported by the broader team in Georgia, he guided the successful planning and drilling of new wells, and has had overall responsibility for the management of production operations.

**Dr Stephen James – Subsurface Manager**

Stephen has over 40 years' experience working as a geoscientist in field development and reservoir management gained mainly with Shell and BP. He has worked on a range of fractured reservoirs including BP's Clair field where he served as lead development geologist and subsurface manager. Having worked in Siberia and Yamal Stephen is familiar with the technologies and development styles employed in the former Soviet Union. He holds a PhD in Sedimentology from the University of Aston.

**Fergus Robson – Commercial Manager**

Fergus is an experienced commercial and financial specialist having worked for operating E&P companies, energy consultancies and financial institutions. Fergus has a breath of experience in the former Soviet Union, having worked in Kazakhstan, Uzbekistan, Tajikistan, Russia and Georgia. He also has West African and Middle Eastern experience and has previously consulted for major banks and energy companies. He holds an MA (Hons) from Glasgow University in Politics and Central East European Studies.

# Governance driven by HSES and corporate best practice

All our operational decisions are driven by HSES and we observe the highest standards of governance in accordance with the QCA Corporate Governance Code

**No serious Loss Time Incidents**
Review of HSES management is always the first agenda point at Board meetings – we have been operating in Georgia since 2019 with no serious Lost Time Incidents (LTIs) recorded

**Mature governance structure**
Majority of independent directors and sub-committee structure with written terms of reference covering nominations, renumeration, audit, technical, HSES and ESG

**Best practice woven into company**
Compliance with all aspects of law - commitmet to best practice underlined by adoption of QCA Corporate Governance Code

**Commitment to Georgia**
Georgian subsidiary fully staffed by Georgian nationals; goods and services sourced from local suppliers; funding for local infrastructure: playgrounds and bus stops; ties with Tbilisi Technical University


**Above left:** (Morning safety briefing before operations at West Rustavi – all of our operational decisions are driven by HSES

**Above:** Block listing on AIM June 2018

**Left:** Fostering the next generation of Georgian engineers: students at Tbilisi Technical University

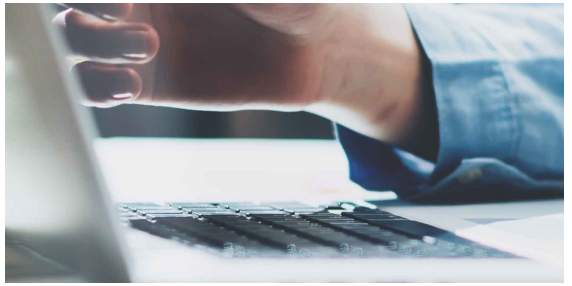
# Sustainability: commitment to low-carbon operations

**Carbon capture & storage opportunity**

Carbon Capture and Storage opportunity identified within Block XIB with the potential to support a major net-zero $CO_2$ industrial hub

**No flaring or venting of gas**

Commercialisation of gas associated with operations - minimal planned flaring or venting of gas



**Environmental monitoring**

Zero waste liquid discharge and $CO_2$ emissions monitoring

**Possibilities for geothermal**

Potential for converting legacy oil wells into geothermal wells serving local agricultural producers

**Grid-powered rig operations**

Rig operations partly powered by grid electricity with significant hydro component

**Ongoing renewable studies**

Renewable energy studies including solar power for production operations

# Appendix

# Block Energy Reserves & Resources

| Field/Project | Type | Units | Reserves/Resources | | | | Source |
|---|---|---|---|---|---|---|---|
| **Reserves** | | | **1P (Gross)** | **2P (Gross)** | **3P (Gross)** | **Mean** | |
| Krtsanisi Anticline (Project I) | Oil | MMbbl | 0.19 | 1.07 | 3.01 | - | ERCE, 2022 (5 well programme) |
| | Gas | BCF | 0.34 | 1.07 | 2.14 | - | |
| **Contingent Resources** | | | **1C (Gross)** | **2C (Gross)** | **3C (Gross)** | **Mean** | |
| West Rustavi/Krtsanisi (Full Field Project I) | Oil | MMbbl | 12.5 | 19.5 | 27.5 | - | Block Energy, 2022 |
| | Gas | BCF | 79.6 | 123.6 | 180.6 | - | |
| Patardzueli-Samgori (Project II) | Oil | MMbbl | 105.1 | 235.0 | 396.0 | - | Block Energy, 2022 |
| Patardzueli-Samgori (Project III) | Gas | BCF | 926.0 | 1,072.0 | 1,222.0 | 1,073.0 | OPC, 2024 |
| Rustavi (Project III) | Gas | BCF | 884.0 | 1,062.0 | 1,245.0 | 1,064.0 | Block Energy, 2024 |
| Teleti (Project III) | Gas | BCF | 493.0 | 638.0 | 802.0 | 644.0 | Block Energy, 2024 |
| **Prospective Resources** | | | **1U (Gross)** | **2U (Gross)** | **3U (Gross)** | **Mean** | |
| Martkopi Terrace (Project IV) | Oil | MMbbl | 135.8 | 239.4 | 420.4 | 267.2 | DeGoyler MacNaughton, 2023 |
| | Gas | BCF | 105.6 | 193.3 | 337.9 | 213.4 | |
| **Carbon Storage** | | | **Low** | **Mid** | **High** | **-** | |
| Patardzueli-Samgori (CCS) | $CO_2$ Storage | MT | 57.0 | 151.5 | 246.0 | - | OPC, 2023 |

All reserves and resources are held 100% by Block Energy with the exception of Martkopi Terrace (Project IV) where Block holds a 50% interest

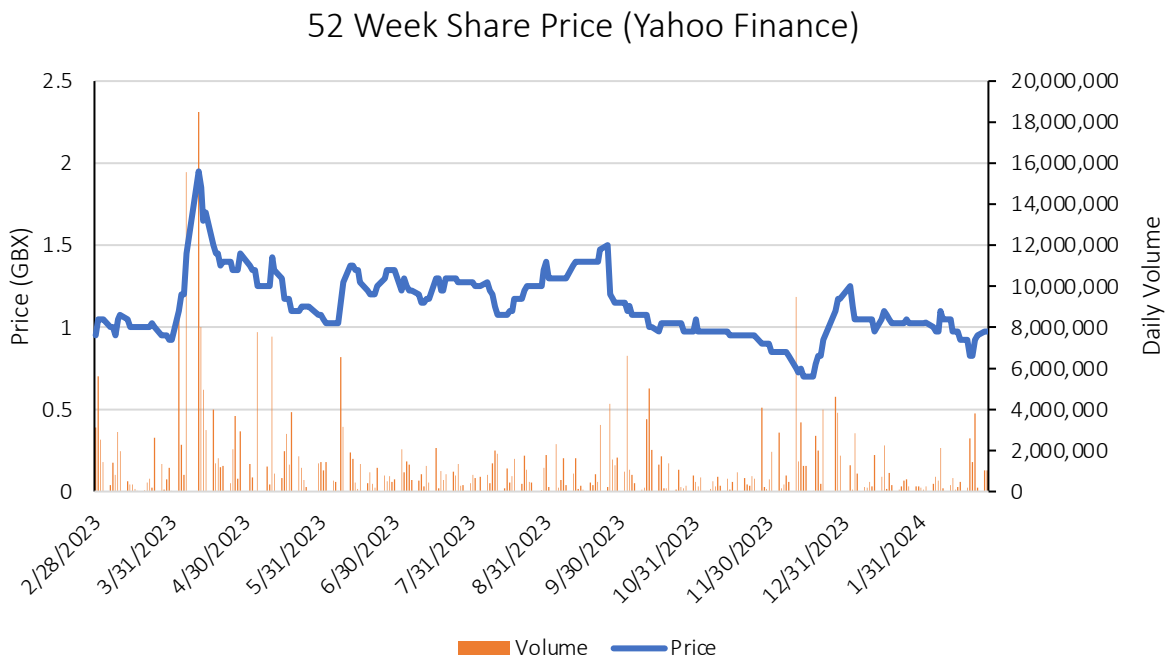
Appendix

# Block Energy assets

| Licence | Area ($km^2$) | Field(s) | Associated Projects |
|---|---|---|---|
| XIB | 363.7 | Krtsanisi, Teleti, Patardzeuli, Samgori, Rustavi | Project I, Project II, Project III, CCS |
| XIF | 37.8 | West Rustavi | Project I, Project III |
| IX | 3,726.3 | - | Project IV |
| Didi Lilo | 103.1 | Martkopi Terrace (Prospect) | Project IV |
| South Samgori | 22.1 | - | Project IV |
| Norio | 22.5 | Norio | - |
| Satskhenisi | 2.4 | Satskhenisi | - |

# Appendix

# Key Data




| As of March 4th 2024 | |
|---|---|
| Market | AIM |
| Listing Date | 11th June 2018 |
| Sector | Oil & Gas |
| Ticker | BLOE |
| Total Ordinary Shares in Issue | 724,675,812 |
| Total Warrants in Issue | 54,241,837 |
| Total Options in Issue | 99,785,841 |
| Fully Diluted Ordinary Share Capital | 845,083,524 |
| Percentage of Dilution | 14.25% |
| Nomad | Spark Advisory Partners |
| Auditor | PKF Littlejohn LLP |
| Company Secretary | Orana Corporate LLC |
| Broker | Tennyson Securities |


BLOCK ENERGY PLC

# Further information

- Full details of all our projects at www.blockenergy.co.uk
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