

Corporate and Operational Update

22 November 2021

IOG plc

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IOG plc ("IOG", or "the Company"), (AIM: IOG.L), the Net Zero UK gas and infrastructure operator focused on high return projects, is pleased to provide a corporate and operational update, with a short accompanying presentation available here: <https://bit.ly/3Hwbbuk>

Andrew Hockey, CEO of IOG, commented:

"The offshore subsea and hook-up scopes for the Blythe and Elgood fields are now complete. We continue to work closely with Bacton terminal operator Perenco and an enlarged workforce to complete the reception facilities recommissioning and deliver First Gas in Q4, albeit this may be challenging.

Meanwhile, we expect the Noble Hans Deul rig to re-mobilise to Southwark in early December once it has been re-certified for safe operation, with Southwark First Gas still on track for Q2 2022.

Phase 1 looks set to capitalise on very strong gas prices whilst also providing timely new low carbon intensity UK domestic gas production. I would like to thank the whole IOG team and all our contractors for their continued dedication and hard work towards delivering a safe and reliable start-up which will be a major milestone for the company."

Schedule

The Saturn Banks Project Phase 1 passed one million cumulative manhours worked in September 2021. Despite recent Covid-19 related challenges both offshore and onshore, the Company continues to target safe and reliable delivery of First Gas by the end of Q4 2021, subject to completion of the remaining onshore scope detailed below.

The Noble Hans Deul rig owner has progressed investigation and repair works of the rig leg at Dundee port to allow safe resumption of Phase 1 drilling. Repair operations have required equipment and personnel to be mobilised from the Middle East and Asia. The rig is expected to re-mobilise to Southwark by the first week of December, subject to weather, and Southwark First Gas remains on track for Q2 2022. All permits are in place to start Southwark drilling and the IOG drilling and subsurface teams have used the downtime to accelerate planning of the 2022 appraisal well campaign.

Phase 1 Offshore

The key subsea, umbilicals, risers and flowlines (SURF) and hook up and commissioning (HUC) scopes have now been completed in preparation for Blythe and Elgood first gas. These include connection of the Blythe 12" pipeline (PL4956) and Elgood 6" pipeline (PL4955) to the Blythe platform risers and leak testing and dewatering of both pipelines; fabrication and installation of the 24" valve skid at the Saturn Banks tie-in point; tie-in of the shoreward section (PL5079) of the 24" Saturn Banks pipeline section at Bacton; hook-up of the Blythe and Elgood wells and system commissioning. Use of a walk to work vessel has enabled longer shift durations and minimised the need for helicopter flights.

Successful leak testing and dewatering of the 24" pipeline and valve skid has now confirmed the integrity of the production system from the onshore Saturn Banks Reception Facilities (SBRF) at Bacton to the Blythe platform and the Elgood subsea well. Once the onshore scope is finished, along with final systems testing between on and offshore, nitrogen venting and backgassing of the pipelines will enable start-up of the Blythe and Elgood wells in quick succession. Analysis of the early months of production will then help to facilitate production guidance for 2022.

Phase 1 Onshore

At the SBRF, an expanded team has been progressing refurbishment activities. Key items recently completed include installation of the new 24" emergency shutdown valve, pipeline spools and motorised valves, replacement of the gas metering streams and associated isolation valves, installation of new pressure control valves and pulling/terminating of all multi-core cables. IOG is co-operating closely with Perenco UK Limited and the onshore contractors to expedite completion of intra-terminal pipework,

testing of telecoms & control systems, installation of the emergency vent stack, in order to enable a safe and reliable start-up at the earliest feasible time.

Appraisal Planning

Planning and contracting is underway for the two 2022 appraisal wells at Kelham North / Kelham Central (P2442: Block 53/1b) and Goddard (P2342: Block 48/11c and 12b) respectively. The Company has exercised its contract option to drill these wells in succession with the Noble Hans Deul rig after the second Southwark well, on the same competitive dayrate as the Phase 1 wells. Petrofac has been appointed Well Operator for the two appraisal wells and pre-drill site surveys are being planned for Q1 2022. In parallel, analysis of reservoir and production data from the Southwark 1 and 2 wells will inform an optimal Southwark 3 well plan.

Further Phase Activities

Concept select work on Nailsworth is progressing with a view to accelerating front-end engineering and design (FEED) and taking a Final Investment Decision (FID) in Q1 2022. P2589 (Panther / Grafton area) seismic reprocessing is also starting shortly and expected to be completed by mid-2022, providing an enhanced subsurface view of the area directly east of Southwark and Elland.

Gas Market and Risk Management

The UK NBP benchmark, like other global gas markets, has been exceptionally strong in 2021. Forward pricing remains substantially above the Company's planning case, although volatility also remains high. Preparatory discussions are underway with relevant parties to start implementing a prudent, systematic gas hedging strategy by the end of Q1 2022.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR.

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About IOG:

IOG's Saturn Banks Project targets a gross peak production rate of 140 mmscf/d (c. 24,000 Boe/d) from gross 2P gas reserves of 302 Bcfe¹ and management estimated 2C gas Contingent Resources of 132 Bcfe, via an efficient hub strategy based on co-owned infrastructure. In addition to its 2P reserves at Blythe, Elgood, Southwark, Nailsworth and Elland and 2C contingent resources at Goddard, it has management estimated gross 2C contingent resources of 23 Bcfe at Abbeydale and gross unrisked mid-case prospective resources of 36 Bcfe at Kelham North, 42 Bcfe at Kelham Central, 58 Bcfe at Thornbridge, 31 Bcfe at Southsea, 28 Bcfe and 19 Bcfe in the two Goddard flank structures, and 21 Bcfe at Harvey. The Orrell discovery, with management estimated gross 2C contingent resources of 42 Bcfe, also lies approximately 50% on the P2442 licence held 50% by IOG.

In December 2020 IOG was also awarded a 50% operated stake in Licence P2589, containing the Panther and Grafton gas discoveries with management estimated gross mid-case contingent resources of 46 Bcfe and 35 Bcfe respectively. In addition, IOG continues to pursue value accretive acquisitions to help generate further significant shareholder returns.

¹ERC Equipoise Competent Persons Report: October 2017, adjusted by Management to account for updated project timing and compression

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