



**PROSPEX**  
ENERGY PLC

# Prospect Energy plc

## Corporate Presentation

**AIM : PXEN**  
*August 2021*



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# RECENT HIGH IMPACT DEVELOPMENTS

Background



- ▶ Ongoing production
- ▶ Significant development upside forecasted 2022
- ▶ Presently trading at substantial discount to market-based valuation

Strategy



- ▶ Focus on stable markets with infrastructure & demand for conventional gas
- ▶ Supporting EU energy transition & security of energy supply in host countries

Portfolio



- ▶ Proposed acquisition of a further 20% of Selva
- ▶ Diversified risk profile
- ▶ Multiple routes to value growth
- ▶ Ongoing programme generating newsflow

Team



- ▶ New Board members appointed
- ▶ Strong Board with deep technical experience
- ▶ Highly experienced team with proven value creating credentials

**Positive outlook**  
**Near term production growth**  
**New acquisition**  
**New leadership**

- Gas and power initially onshore NW Europe  
Gas is the transition fuel for the energy transition
- Increasing gas production from core projects
- Asset acquisition opportunities NW Europe



# ABOUT PROSPEX

AIM listed natural gas production and power generation investment company

## Spain: Ongoing Production & Power Generation

- ▶ 3 gas wells supplying gas to an 8.1MW power station
- ▶ Planned well interventions to increase gas production
- ▶ Permitting underway for near-term multi-well drilling campaign

## Italy: Near Term Gas Production

- ▶ Environmental Impact Assessment (EIA) approved by Regulator
- ▶ Expecting production for Q1/Q2 2022



## European Growth Strategy

Identifying low-risk opportunities that will generate shareholder returns, positive cashflows and sustainable production



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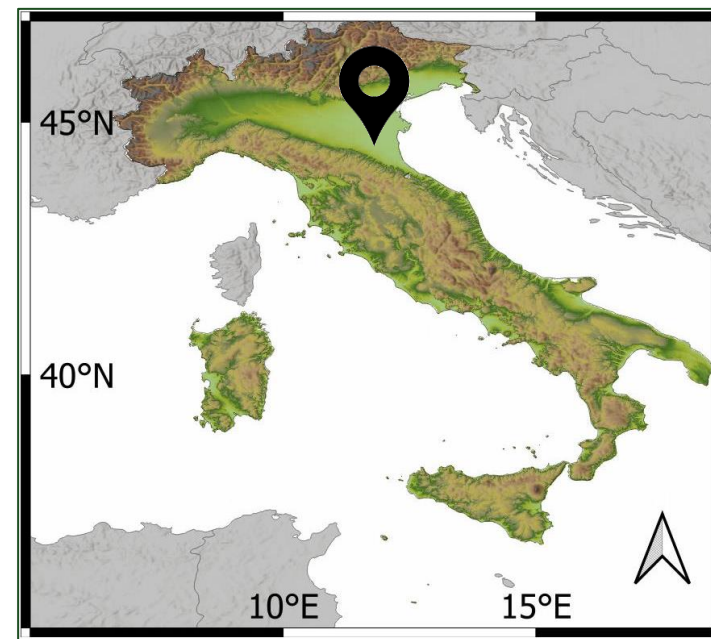
**Assets: Italy and Spain**



# ITALY – PODERE GALLINA

## Proven GAS RESERVES in prolific Po Valley region

- ▶ Podere Gallina is a 331km<sup>2</sup> exploration permit with multiple prospects
- ▶ PXEN farmed-in to 17% in October 2017
- ▶ Podere Maiar (PM-1dir) discovery well in December 2017
- ▶ Well tested gas to surface in January 2018 from 2 intervals – now suspended and awaiting production
- ▶ Selva Malvezzi production concession defined and approved after PM-1 discovery within Podere Gallina
- ▶ Subject to securing funding PXEN set to increase working interest to 37% in Q3 2021



2019 CGG CPR categories	Podere Gallina (Bcf) - Gross	Net to PXEN (Bcf @ 37%)
Reserves (2P)	13.4	5.0 (NPV €10.2 MM)*
Contingent Resources (2C)	14.1	5.2
Prospective Resources (Best Estimate)	91.5	33.9

\*NSAI CPR Gas price assumption ~ €0.2/scm



# SELVA GAS PRODUCTION

## STEPS TO GETTING ON PRODUCTION

- ▶ Preliminary production concession, **approved Feb '19**
- ▶ Technical environmental approval, **approved Jan '20 & Nov '20**
- ▶ Environment Minister Decree, **approved April '21**
- ▶ INTESA (Intergovernmental agreement) **ongoing**
- ▶ Final Production concession by Economic Development Ministry
- ▶ Installation of fully automated gas plant and 1 km pipeline connecting the plant to the grid

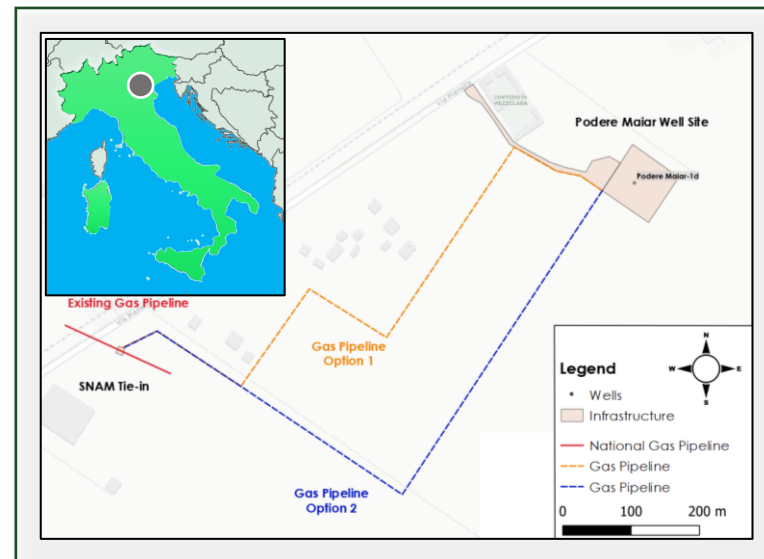
## STRONG FLOW RATE

- ▶ C1 and C2 sands tested >150,000 scm/day in test (5.3 MMscfd)
- ▶ Plant being design to handle 150,000 scm/day (5.3 MMscfd)
- ▶ Budget based on 100,000 scm/day (3.5 MMscfd)

## ITALIAN PROJECT

- ▶ Will increase net production by 3 to 4 times
- ▶ Generates free cash and allows exploration & development of wider portfolio

**Clear line of sight to production is catalyst for rerating**



# EL ROMERAL: PRODUCTION & DEVELOPMENT PROJECT

## HISTORY

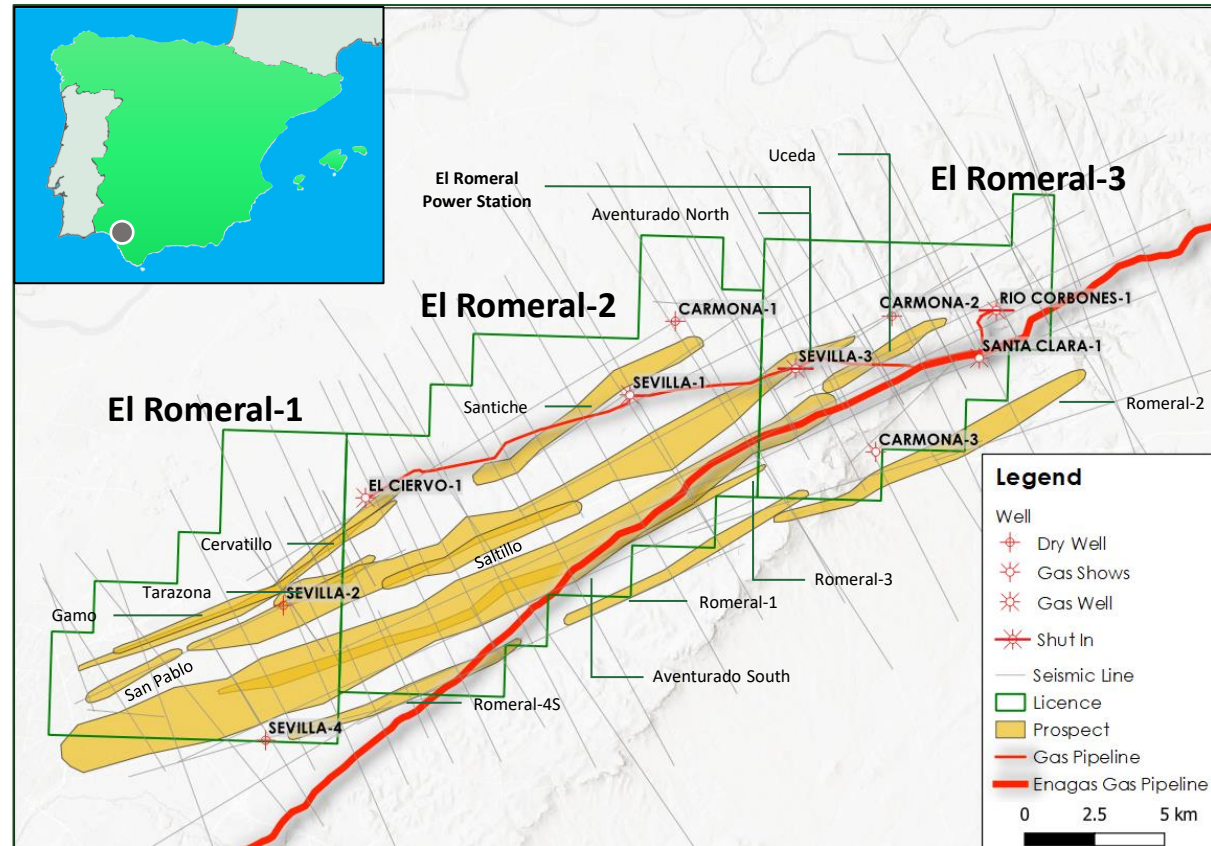
- ▶ Since 1983, 7 wells drilled resulted in **gas discoveries**
- ▶ 5 went on production
- ▶ 2 proven undeveloped discoveries (PUDs)

## CURRENT

- ▶ Production from 3 wells
- ▶ ENAGAS and local pipelines within the blocks
- ▶ El Romeral power station, under utilised with c. 78% spare capacity

## UPCOMING

- ▶ 11 very low risk prospects targeting 90 Bcf (Best estimate prospective resources)
- ▶ Increase utilisation of El Romeral power station

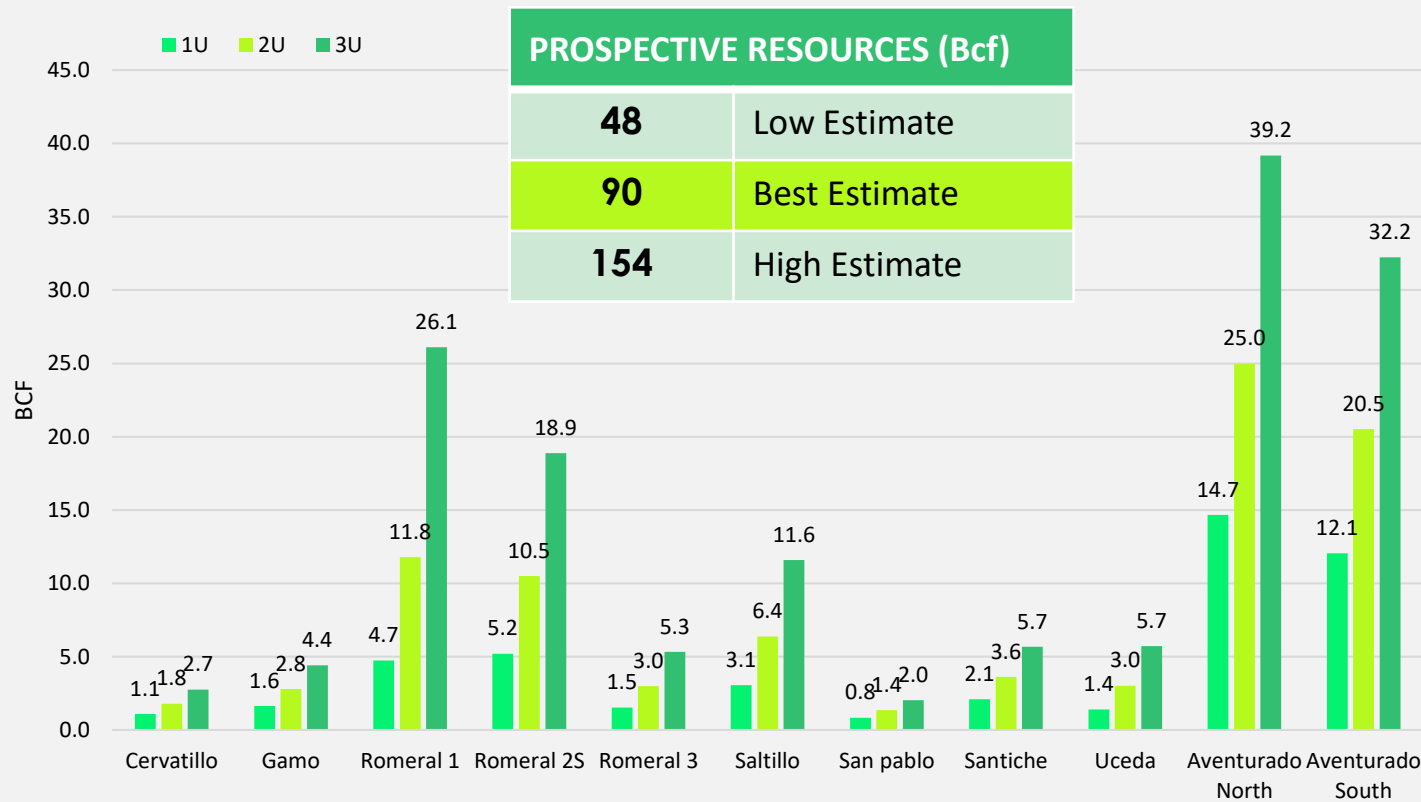


Over 500 km of 2D seismic and AVO by Chevron and Repsol Dataset provides in depth basin insight and lowers play risk



# EL ROMERAL: GAS READY FOR DEVELOPMENT

▶ **VERY LOW RISK Prospective Resources (NSAI-certified 2019) in El Romeral - ready for development**



▶ **11 selected prospect locations, 19 drilling locations, over 3 production licences**

▶ **2 PUDs (5 Bcf, 2C resources)**

▶ **Gas pipeline with spare capacity over 3 licences**

▶ **Easy access for drilling**

▶ **Minimal environmental impact**

# SPAIN – TESORILLO PROJECT



## POTENTIAL UNDEVELOPED DISCOVERY

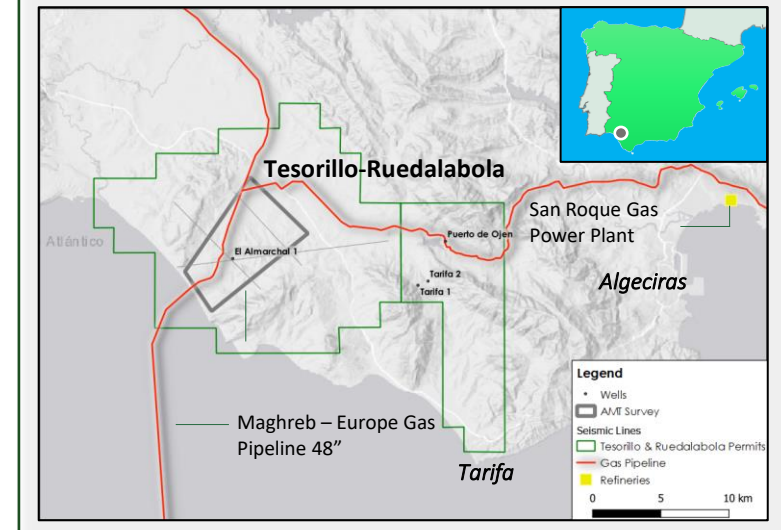
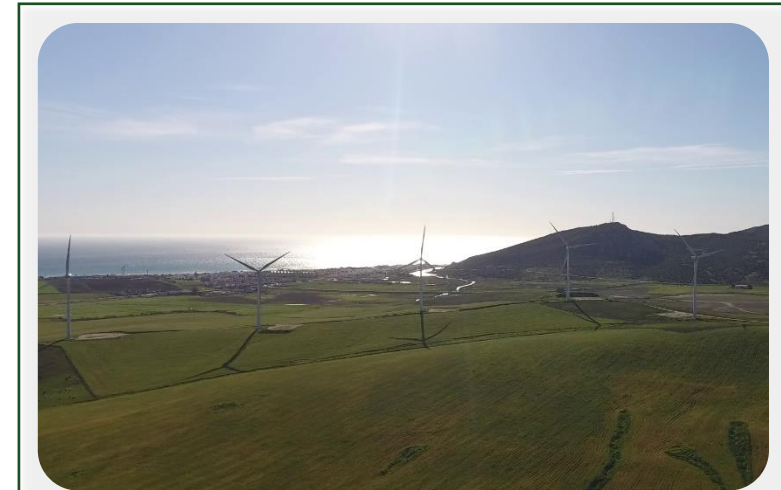
- ▶ **TEMPORARILY SUSPENDED**, awaits Ministry resolution reinstatement as production licence
- ▶ Contains the Almachal-1 gas discovery (1957)
- ▶ Operated by Tarba (85% WGO, 15% PXEN) PXEN option to increase to 50%

## LOCATION/RESOURCES

- ▶ Cadiz Province, Southern Spain, over 380 km<sup>2</sup> of surface area
- ▶ **830 Bcf Best Estimate** Gross un-risked Prospective Resources, NSAI CPR 2015
- ▶ **UPSIDE** in excess of 2 Tcf

## DEVELOPMENT

- ▶ State of the art G&G work programme to de-risk prospects
- ▶ Close to infrastructure for easy gas monetisation, 3km from Europe-Magreb pipeline distributing gas across Spain and European market





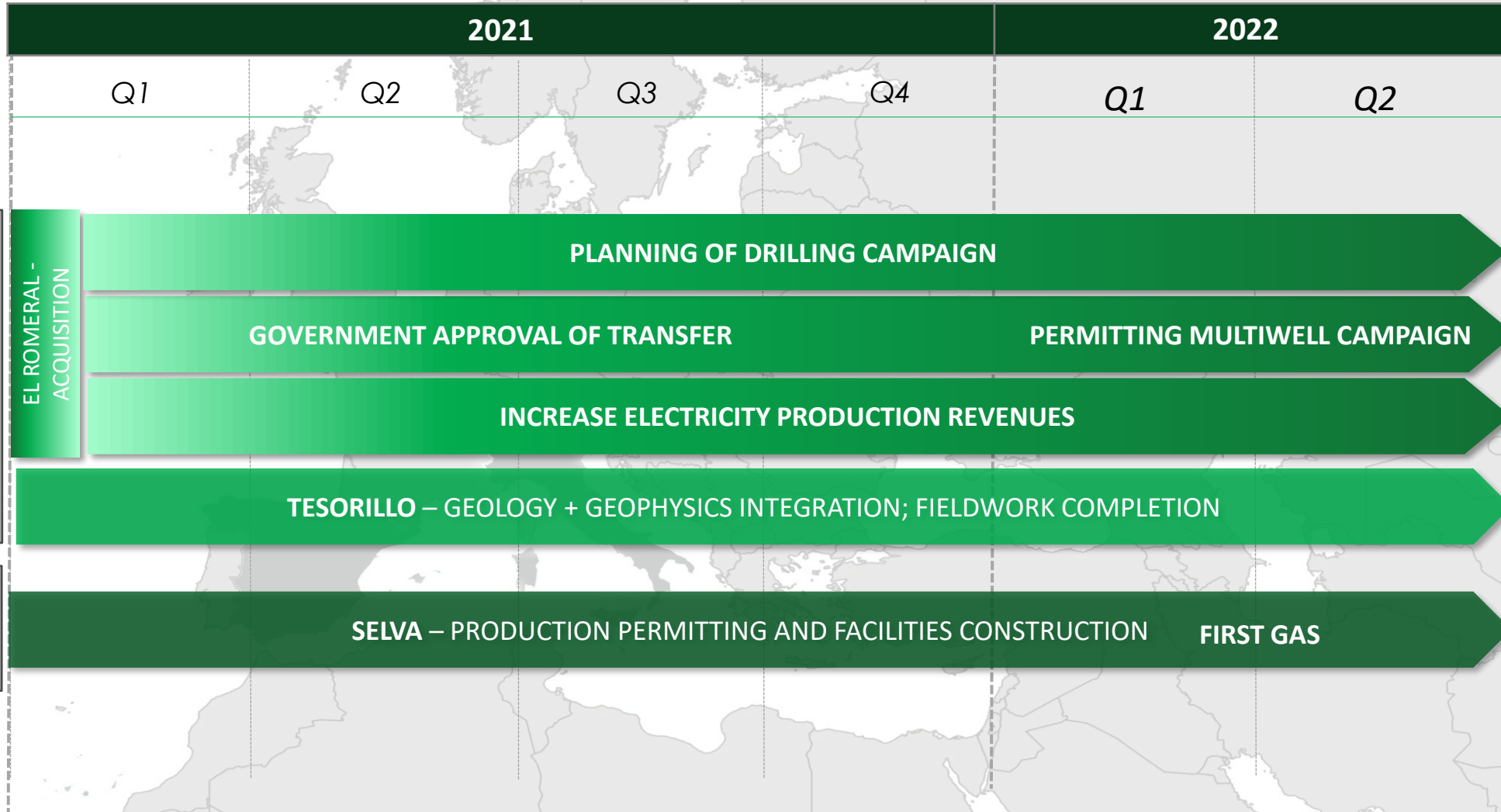
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# The Team Outlook & Objectives





# OUTLOOK FOR 2021-2022



# SUMMARY

## Investment case:



- ▶ Secured reserves/commercial revenue generation in 2018
- ▶ Significant step up in production expected in 2022
- ▶ PXEN trading at substantial discount to Net Asset Value
- ▶ Huge potential NPV uplift

## Unlocking shareholder value:



- ▶ Diversified portfolio assembled
- ▶ Risk managed
- ▶ Multiple routes to significant shareholder value growth

## European focused:



- ▶ Focus on mature markets with existing infrastructure and available capacity
- ▶ Politically stable countries with desire to reduce foreign energy dependency and LNG importation
- ▶ Strong emphasis on conventional gas

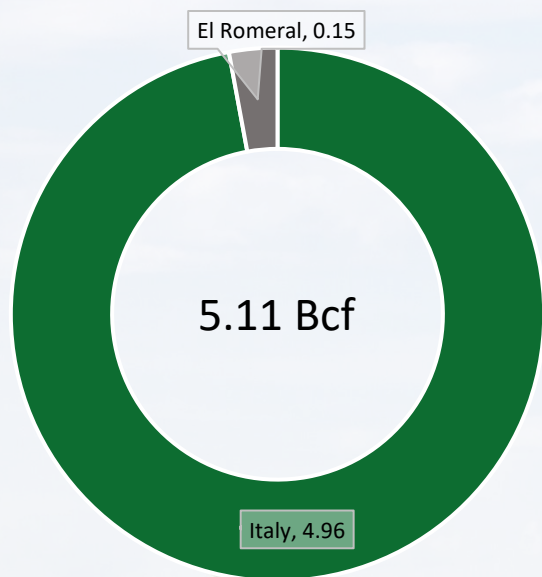
## Strong management:



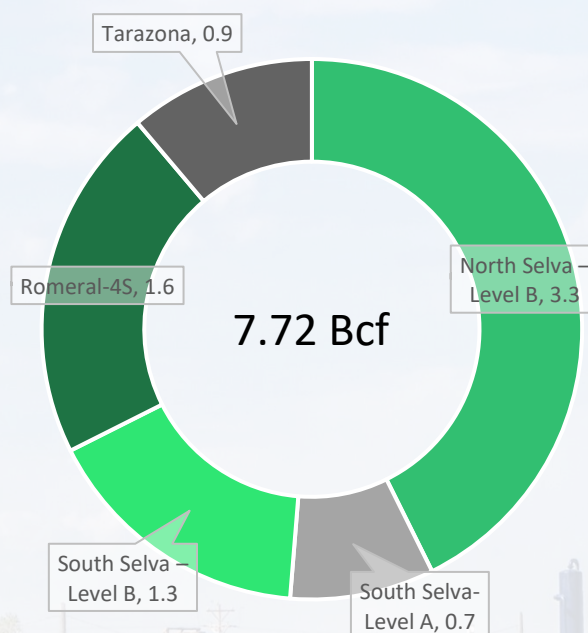
- ▶ Highly experienced team of technically led professionals
- ▶ CEO's proven track record of growing companies with more than 40 years in the oil & gas industry
- ▶ Strong Board with independent representation

# RESERVES AND RESOURCES

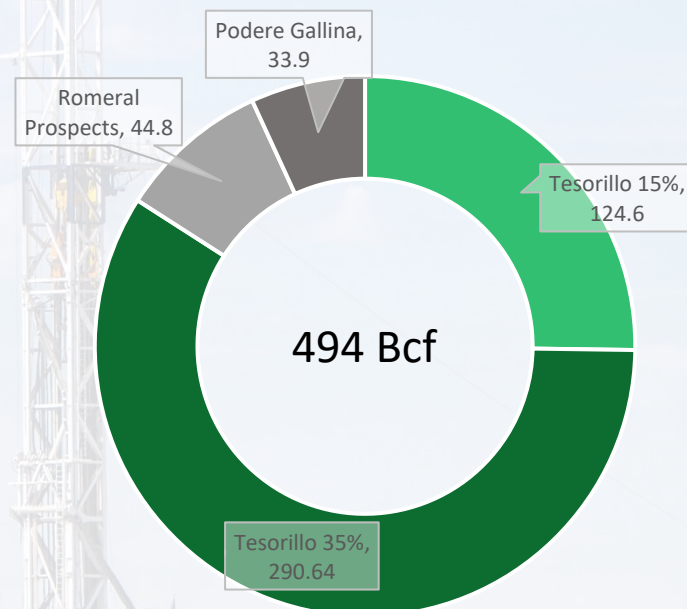
## Net 2P Reserves



## Net Contingent Resources



## Net Prospective Resources





# THE TEAM



## Mark Routh

### CEO & Managing Director

Mark is a Petroleum Engineer with more than 40 years of experience in the oil & gas industry. He has an MSc in Petroleum Engineering. He spent eight years as CEO/Chairman of AIM listed IOG plc. Founded CH4 Energy in 2002, which was focused on gas in NW Europe – sold for £152m after four years. Prior to CH4 Mark spent 10 years with Hess, six years with BP and five years with Schlumberger in Southeast Asia and the North Sea.

## Carlos Venturini

### Exploration Manager

Petroleum geoscientist (BSc) with an MSc in structural geology and near 40 years' experience in G&G, interpretation and prospect generation gained with Schlumberger, ENI, Siperol, and from his own Libya-based consultancy working for Petrobras, GDF, OMV amongst others. He has worked in more than 30 basins, and 3 continents and he is an expert in Mediterranean and African petroleum geology.

## Bill Smith

### Independent Non-Executive Chairman

Bill is a Canadian solicitor with 40 years of experience in corporate finance and is a director of a number of listed and private companies including Pacific Bay Minerals, a TSXV listed company and PFB Corporation (TSX). He was a senior partner of McCarthy Tetrault LLP in Canada and was subsequently Executive Vice President of two listed international oil companies and a listed investment firm. He has extensive experience including a number of start-up ventures in the sector.

## Richard Mays

### Independent Non-Executive Director

Richard is a solicitor in Scotland and has extensive industry, commercial and legal experience. He is VP and General Counsel at Canadian Overseas Petroleum Limited (TSX and FTSE) and has leadership and senior management experience of other LSE listed companies, including DEO Petroleum plc and Oilexco North Sea Limited. He has also served as Executive Chairman of Peppercoast Petroleum plc and Black Star Petroleum plc. Formerly Professor and Deputy Dean of the Aberdeen Business School.

## Alasdair Buchanan

### Independent Non-Executive Director

Alasdair has a BSc in Chemical Engineering and over 40 years of experience in the upstream oil and gas sector. Most recently he was Global Energy Director at Lloyds Register and was COO and a director of Senergy Group plc. Alasdair was a non-executive director of Warrego Energy from 2012-2019 prior to its public listing on the ASX. Alasdair worked for Halliburton for three years in Aberdeen and Texas, most recently as Vice President UK and worked for BJ Services for 28 years both in the UK and internationally.



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**Thank you**

