



PROSPEX
ENERGY PLC

Prospect Energy plc

Corporate Presentation

AIM : PXEN

November 2022



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ABOUT PROSPEX

AIM listed natural gas production and power generation investment company (AIM:PXEN)

Spain: Ongoing Production & Power Generation

- ▶ 8.1MW power station generating revenue at record-high electricity prices
- ▶ Plant upgrade completed to allow 24/7 power generation
- ▶ Permitting underway for near-term multi-well drilling campaign

Italy: Near Term Gas Production

- ▶ Production Concession granted by the Regulator
- ▶ 12-month environmental baselines for seismicity before gas production commences to complete in February 2023
- ▶ Expecting first gas production in early Q2 2023



European Growth Strategy

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

RECENT HIGH IMPACT EVENTS



Higher-than-predicted revenue generation from our Spanish assets due to historically high electricity prices. Spanish subsidiary now significantly cash-positive.



Installation of solar panels on the roof of the Romeral Power Station was completed in August 2022. The project was fully financed from existing funds held by Tarba. A second solar generation project to be situated on land adjacent to the plant has completed front-end engineering and design (FEED) and is out for tender.



Production Concession approved by the Government in Italy for the development of the Selva field in Italy. Work has commenced on the gas processing plant and on the installation of the <1km 4-inch pipeline to export the gas to the SNAM grid.



Gas sales agreements being negotiated with several counterparties to purchase the gas from Selva at the SNAM delivery point. This contract will be a Joint Venture contract with the Operator Po Valley Energy (63%) and Prospect Energy (37%).

GROWTH IN ITALY



- The 37% interest in the Italian asset is projected to generate net post-tax post-royalty cashflows of €2.6 million per year, according to the CGG CPR, calculated at 2019 gas prices
- Using current forward curve gas price predictions (ICE TTF) the 2023 net annual post-tax, post-royalty cashflow figure is in excess of €8 million, according to PXEN calculations
- Applications for the environmental and drilling permits to drill three further wells on the Selva production concession are being prepared with the target of drilling in 2024

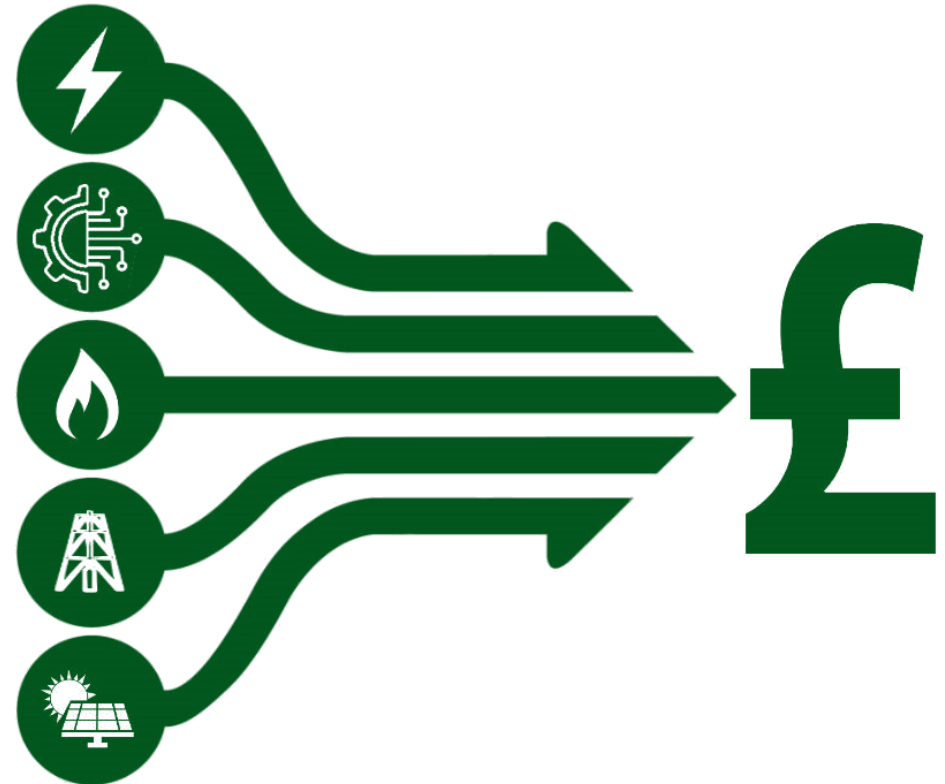
GROWTH IN SPAIN



- 11 low-risk gas well drilling targets identified in our application for permitting to the Spanish regulators in the Romeral concessions
- Major undeveloped natural gas discovery from 1957, awaiting re-drill in Tesorillo, when the regulator re-activates the permit
- Solar energy
 - Solar panels installed on the roof of the power plant in August 2022
 - FEED study completed to install photo-voltaic panels on land adjacent to the El Romeral plant now out to tender for project execution
 - Land lease negotiations at an advanced stage

MULTIPLE PATHS TO INCOME GENERATION AND OPTIMISATION

- Electricity Sales from the El Romeral Power Plant
- Automation of the Power Plant for around-the-clock power generation
- Gas Sales from the Selva field in Italy
- Multi-well campaign submitted for environmental approval to grow our Spanish reserves and gas production
- Solar panels and plant optimisation boosting power-generating capabilities of El Romeral Power Station





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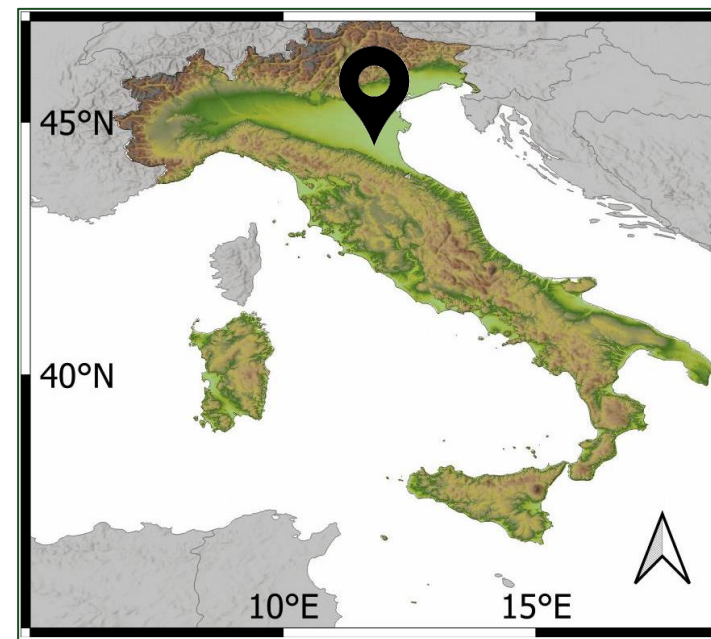
Assets: Italy and Spain



ITALY – SELVA MALVEZZI

Proven GAS RESERVES in prolific Po Valley region

- ▶ Selva Malvezzi is an approved production permit with an area of 81 km²
- ▶ PXEN farmed-in to 17% in October 2017
- ▶ Podere Maiar (PM-1) discovery well drilled in December 2017
- ▶ Well tested gas to surface in January 2018 from 2 intervals – now suspended and awaiting production
- ▶ In April 2022, completed acquisition of UOG’s 20% working Interest in Selva, bringing PXEN interest to 37%
- ▶ Multiple follow-up prospects exist within the permit, some at very low geological risk
- ▶ Three drilling targets being prepared for the environmental and drilling permitting process, Selva North, Selva South and Selva East



2019 CGG CPR categories*	Selva Malvezzi (Bcf) - Gross	Net to PXEN (Bcf @ 37%)
Reserves (2P)	13.4	5.0
Contingent Resources (2C)	14.1	5.2
Prospective Resources (Best Estimate)	88.2	32.6

SELVA GAS PRODUCTION

STEPS TO GETTING ON PRODUCTION

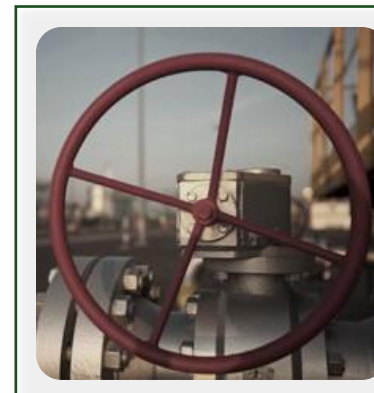
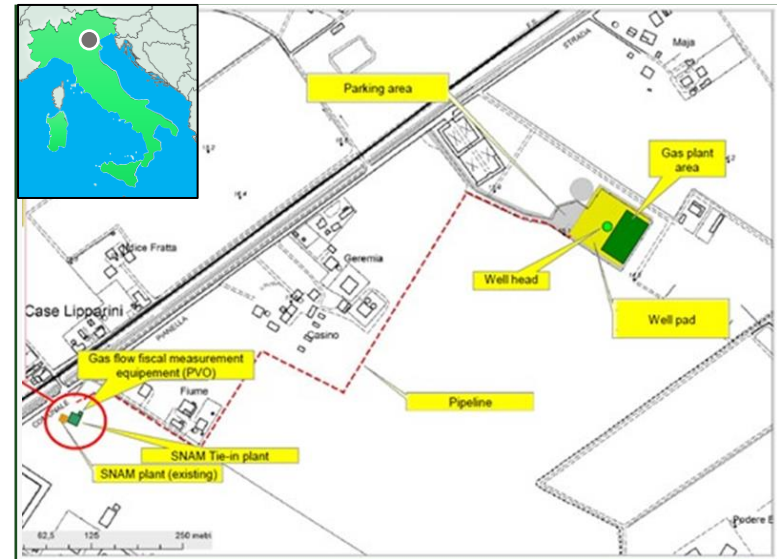
- ▶ Preliminary production concession, **approved Feb 2019**
- ▶ Technical environmental approval, **approved Jan 2020 & Nov 2020**
- ▶ Environment Minister Decree, **approved April 2021**
- ▶ INTESA (Intergovernmental agreement), **granted Q2 2022**
- ▶ Final Production concession, **granted by the Ministry July 2022**
- ▶ Installation of fully automated gas plant and installation of <1 km pipeline connecting the well to the grid, **commenced November 2022**

STRONG FLOW RATE

- ▶ C1 and C2 sands tested >150,000 scm/day in test (5.3 MMscfd)
- ▶ Plant being designed to handle 150,000 scm/day (5.3 MMscfd)
- ▶ Pipeline can handle up to 250,000 scm/day
- ▶ Budget based on 100,000 scm/day (3.5 MMscfd)

ITALIAN PROJECT – CATALYST TO RERATING

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



Ministerial approval for the Production Concession approved in July 2022

Production Expected in early Q2 2023

Working interest increased to PXEN 37%

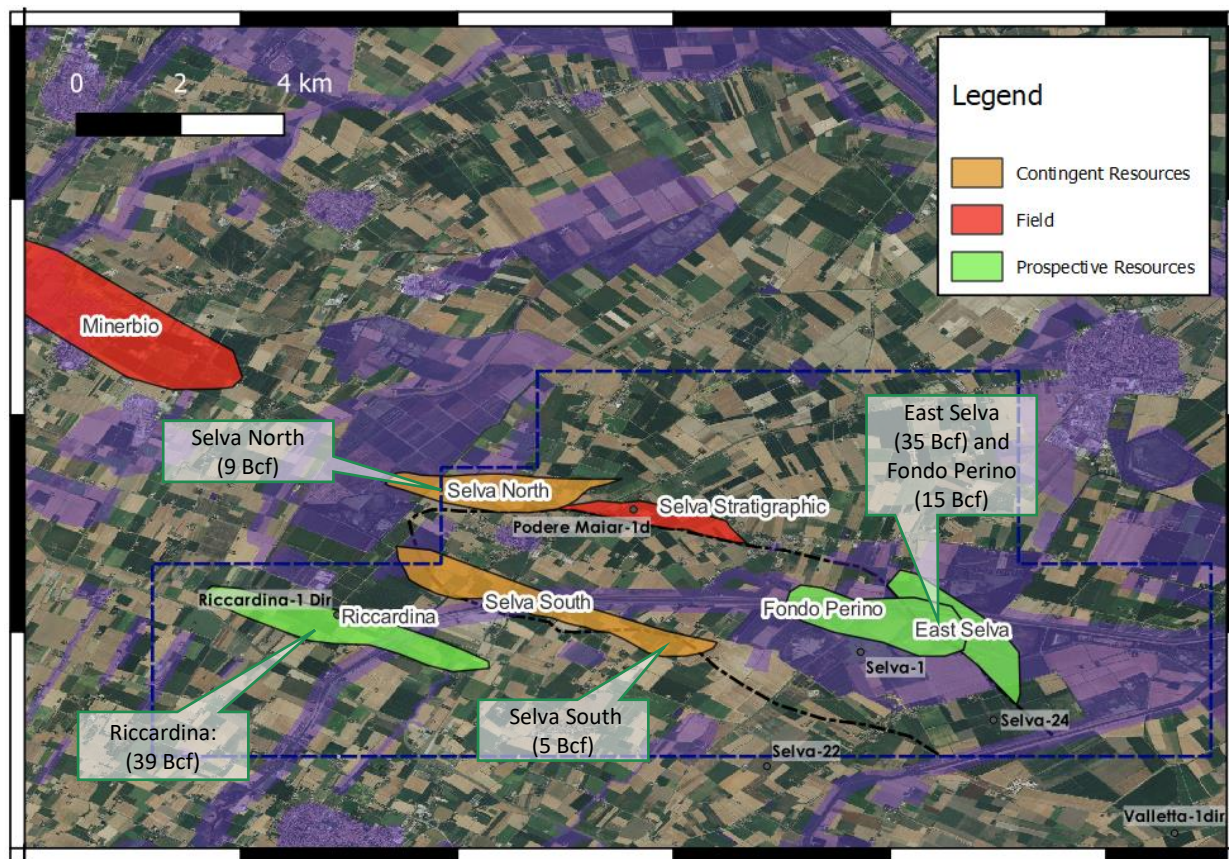
SELVA GAS PIPELINE ROUTE



SELVA MALVEZZI UPSIDE

Low-risk follow-up targets

- ▶ **Selva North** and **Selva South** are stratigraphic pinch-outs in the same style as the **Podere Maiar** discovery, supported from interpretation of old Selva Wells
- ▶ Following the success of **Podere Maiar**, they are upgraded to Contingent Resources by the CGG CPR^[1]
- ▶ **East Selva** is an attractive target, at the same interval as **Podere Maiar**, but separated by a structural saddle. **East Selva** has Lo/Best/Hi Gross Prospective Resources of 29/35/41 Bcf. The dotted black line shows the mapped onlap of the reservoir (Pleistocene C) against the fold and can be followed from **Selva** to **East Selva**
- ▶ **Riccardina** is deeper, but also attractive at Lo/Best/Hi Gross Prospective Resources of 13/39/129 Bcf but is considered higher risk
- ▶ The **purple** shading shows protected areas under the PiTESAI (no drilling)
- ▶ Surface well locations and subsurface targets identified for three new wells to be drilled on the concession
- ▶ The environmental and drilling permitting process has commenced for **Selva North**, **Selva South** and **Selva East**



*Volumes are rounded to the nearest Bcf

EL ROMERAL: PRODUCTION & DEVELOPMENT PROJECT

HISTORY

- ▶ Since 1983, 7 wells drilled resulted in gas discoveries
- ▶ 5 went on production from 2002
- ▶ 2 proven undeveloped discoveries (PUDs)

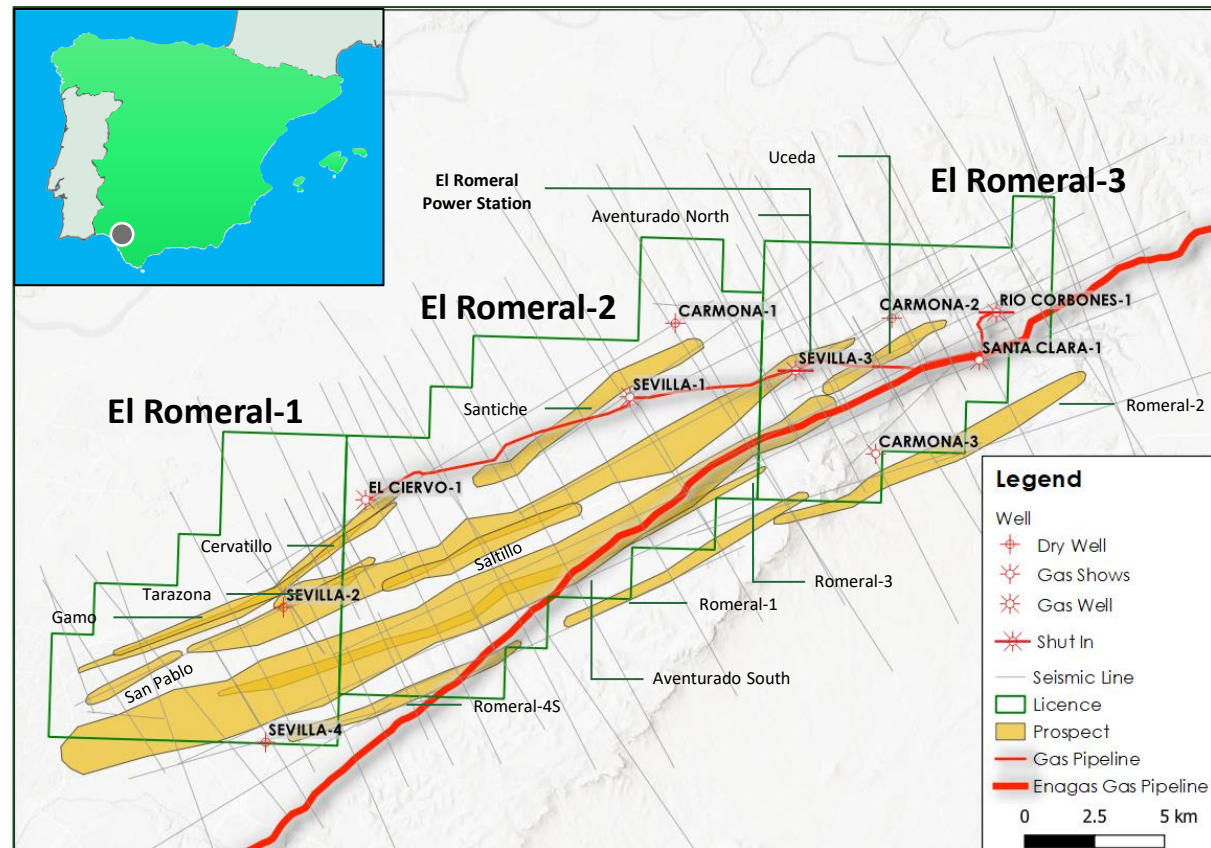
CURRENT

- ▶ Production from 2 wells
- ▶ Record-high electricity prices
- ▶ 26-inch ENAGAS pipeline traverses the three Romeral concessions
- ▶ El Romeral power station, recently successfully upgraded to work 24/7

UPCOMING

- ▶ 11 very low risk prospects targeting 90 Bcf* (Best estimate prospective resources)
- ▶ EIA initiation document for the campaign has been submitted and its review period is coming to an end
- ▶ Expecting update from the regulator in the coming months
- ▶ Rig will be mobilised to drill the first three wells as soon as the permits to drill are granted
- ▶ Two wells with production of 25,000 scm/d will take the plant to 100% utilisation

Prospex owns 49.9% of El Romeral (50.1% : Warrego Energy)



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

SEISMIC REPROCESSING



Full reprocessing of El Romeral 2D Seismic using modern, broad bandwidth processing flow and new methods for noise attenuation



Resulted in a significant uplift of imaging quality



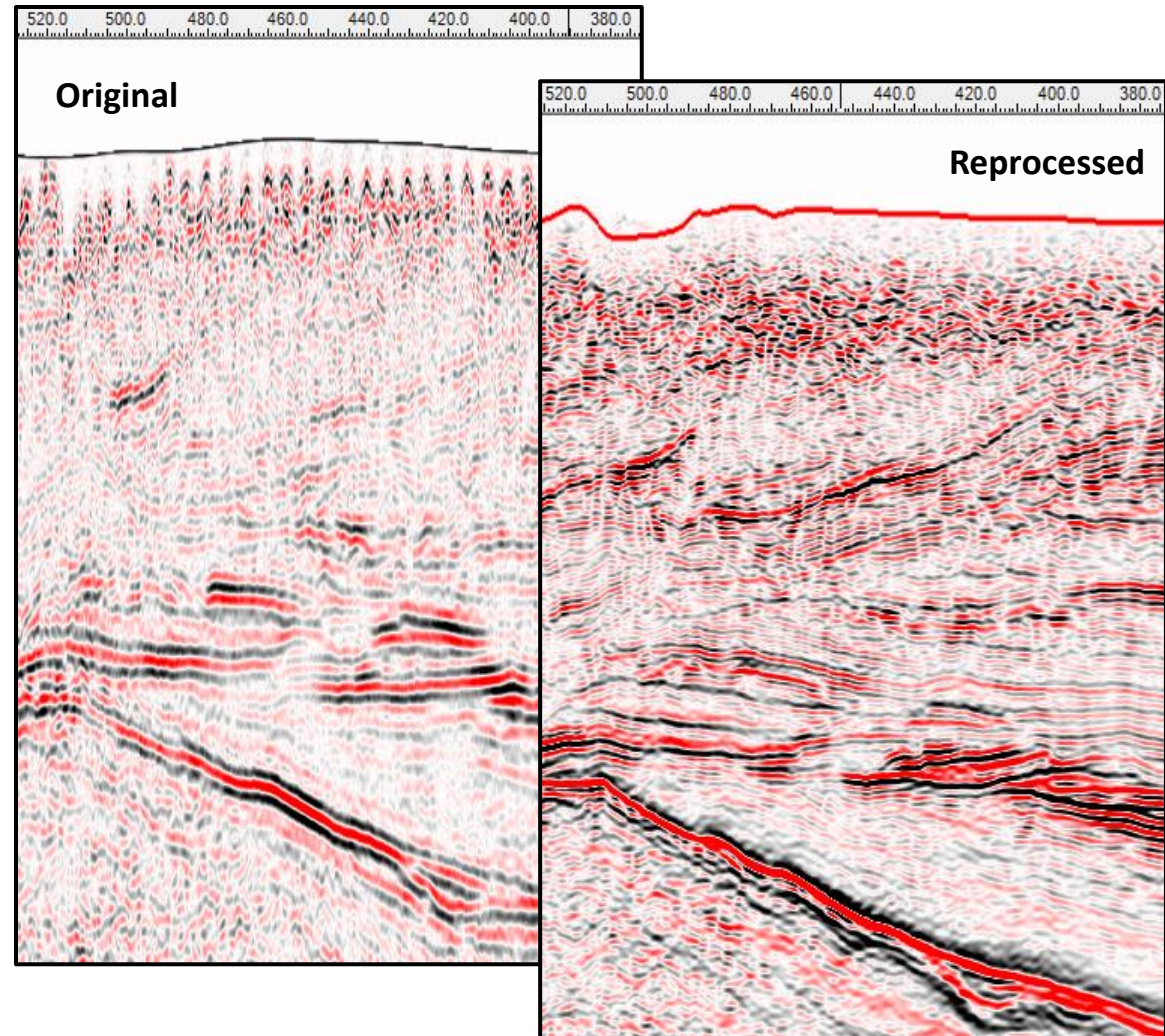
Project was delivered on time and in budget



Re-interpretation has started with an aim of refining the drilling sequence, de-risking prospects and in some cases, revealing new prospectivity



AVO products included in the reprocessing, as they have been instrumental in revealing prospectivity in the past



EL ROMERAL: GAS READY FOR DEVELOPMENT

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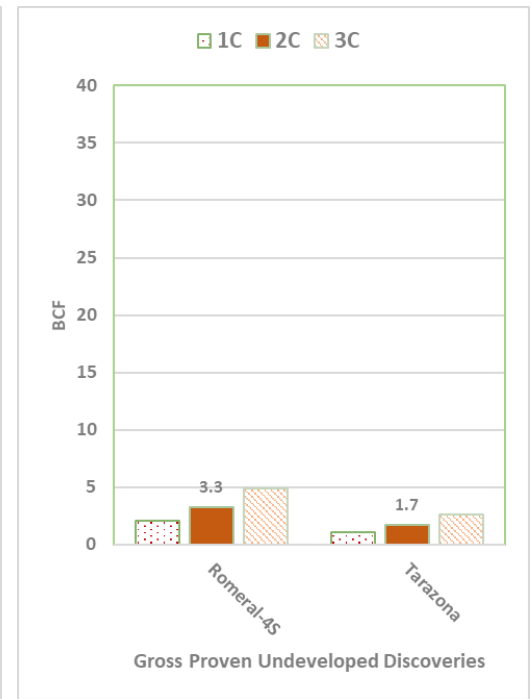
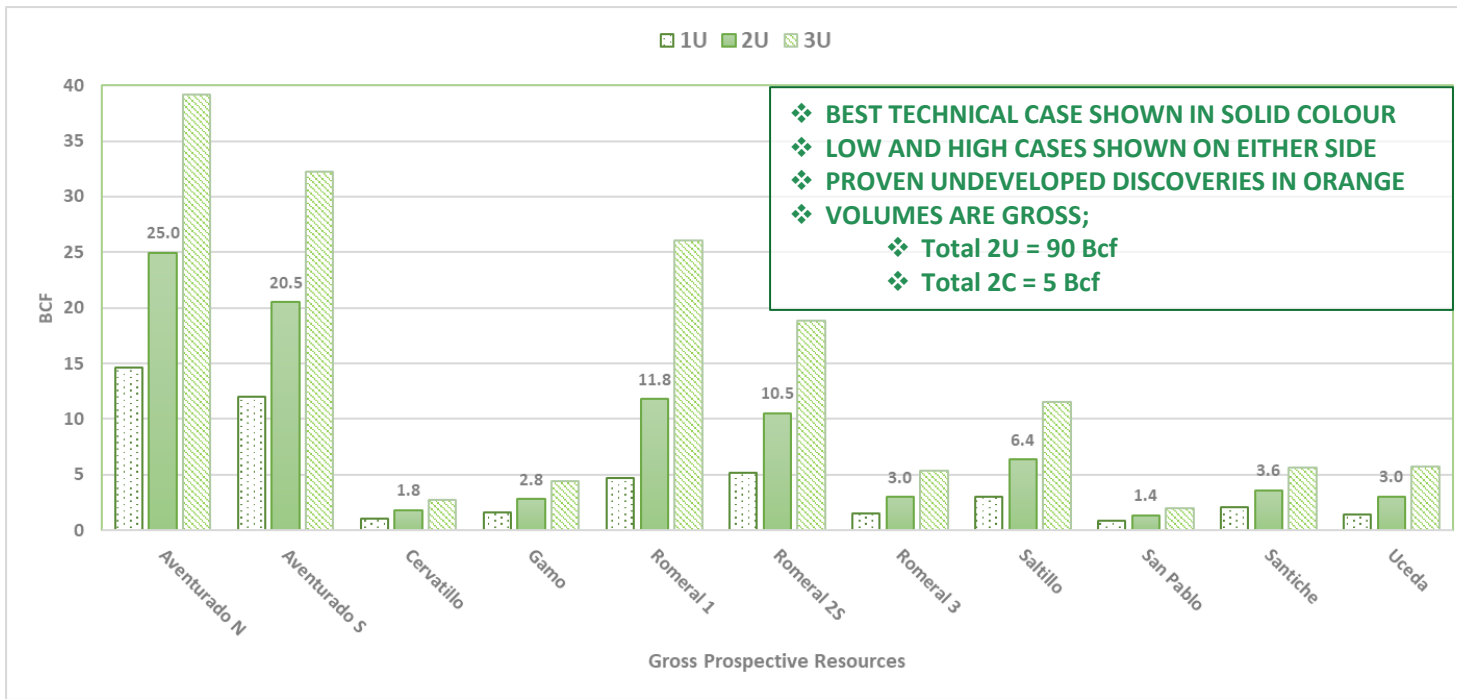


**11 LOW-RISK PROSPECTS
CERTIFIED BY CPR***

**2 UNDEVELOPED DISCOVERIES
FROM THE 1980s**

**FULLY-OWNED
LOCAL PIPELINE NETWORK**

**CAPACITY AT PLANT
FOR MORE GAS**



These volumes will be updated on completion of the re-interpretation of the reprocessed 2D seismic
New structures may also be identified

SPAIN – TESORILLO PROJECT

POTENTIAL UNDEVELOPED DISCOVERY

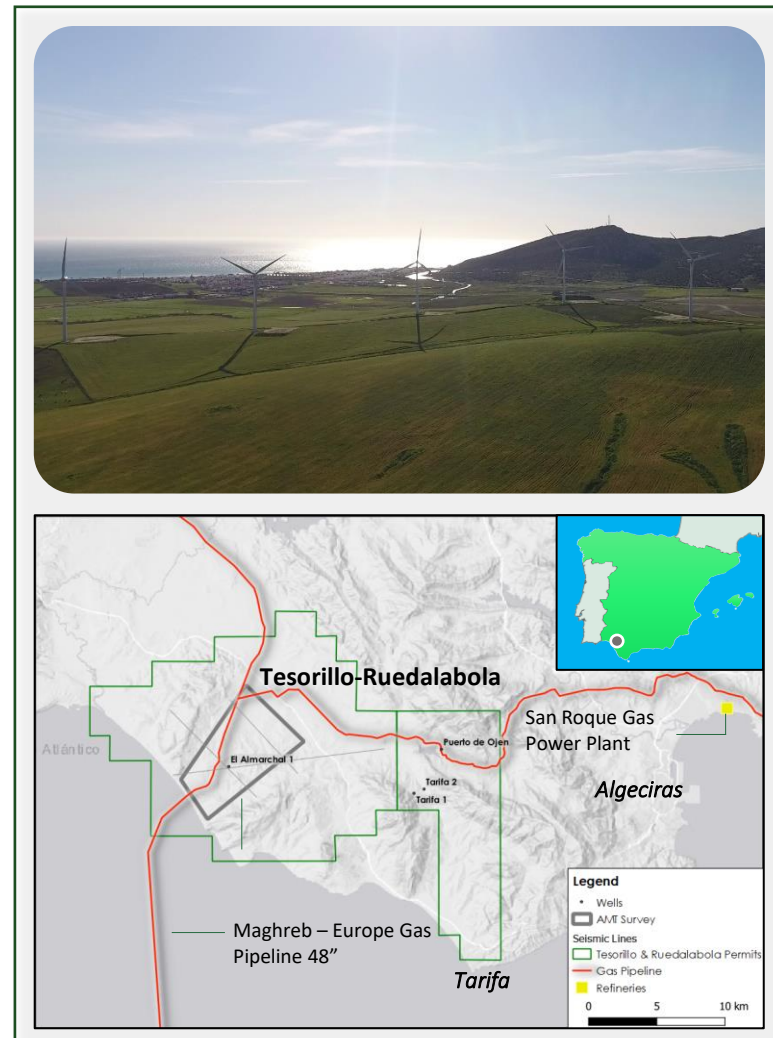
- ▶ PERMIT TEMPORARILY SUSPENDED, awaits Ministry resolution and reinstatement as production licence
- ▶ Contains the Almarchal-1 gas discovery well (drilled in 1957) which logged 212m of net gas pay. Multiple DST's flowed gas to surface
- ▶ Operated by Tarba (85% WGO : 15% PXEN) PXEN option to increase to 49.9% for €1,725,000 ahead of drilling a well

LOCATION/RESOURCES

- ▶ Cadiz Province, Southern Spain, over 380 km² of surface area
- ▶ Tesorillo holds independently certified Gross Prospective P90/P50/P10 Resource of 219/831/2,288 Bcf*

DEVELOPMENT

- ▶ Well designed and location agreed - Q4 2021
- ▶ Environmental Impact Assessment Initiation Document for Tesorillo-1 well submitted - Q4 2021, awaiting feedback from Regulator to start EIA
- ▶ State of the art G&G work programme to de-risk prospects
- ▶ Close to infrastructure for easy gas monetisation, 3km from 48" Maghreb to Europe pipeline distributing gas across Spain to European market



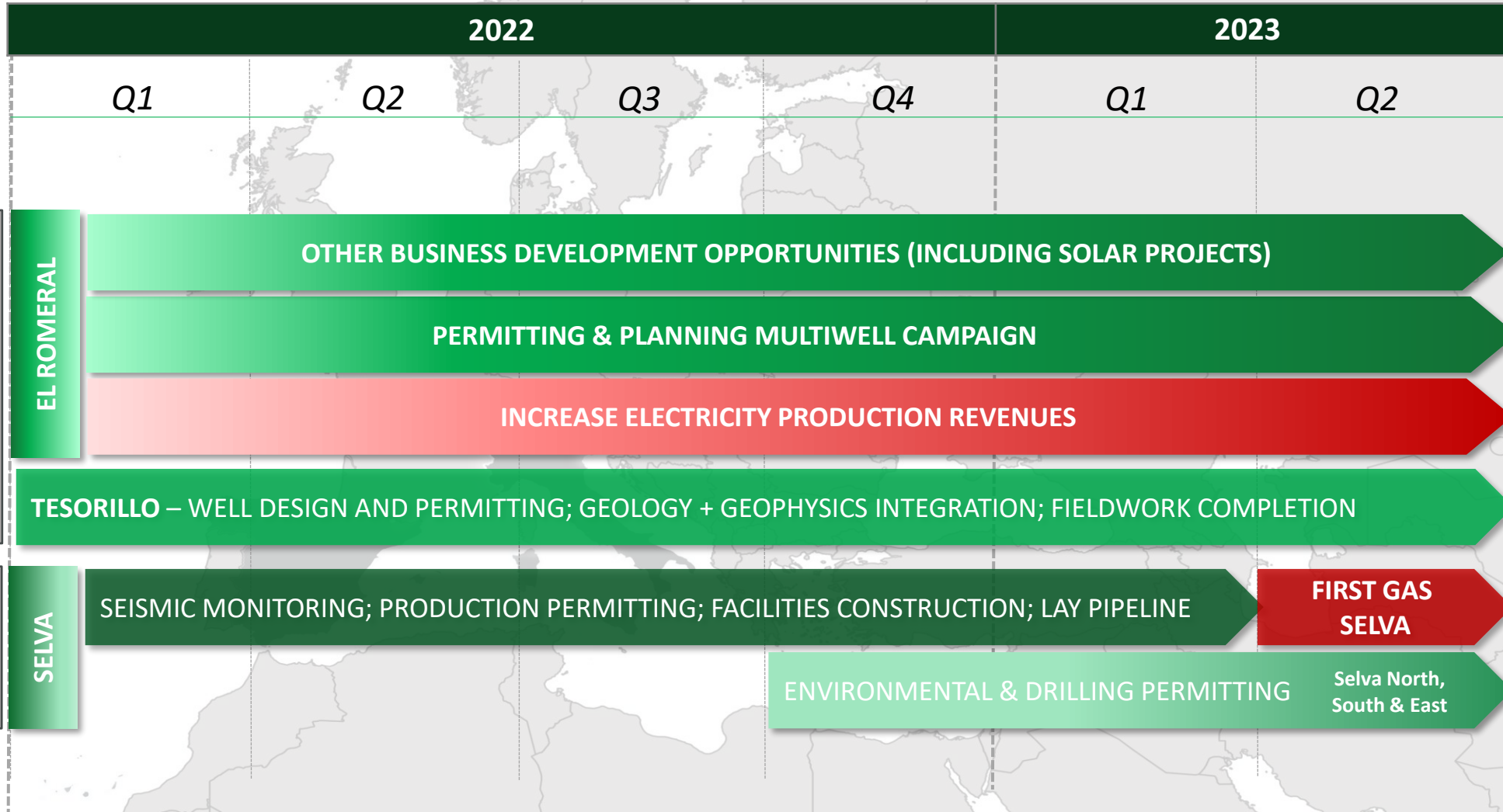


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The Team
Outlook & Objectives



OUTLOOK FOR 2022-2023



SUMMARY

Investment case:



- ▶ Secured reserves/commercial revenue generation in 2021
- ▶ Rising share price in response to commodity prices and loan repayments, still trading at discount to market valuation
- ▶ Huge potential NPV uplift from exploration projects

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

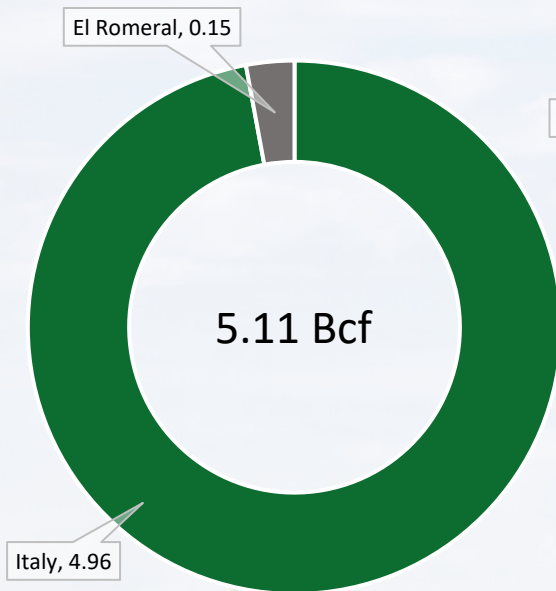
Strong management:



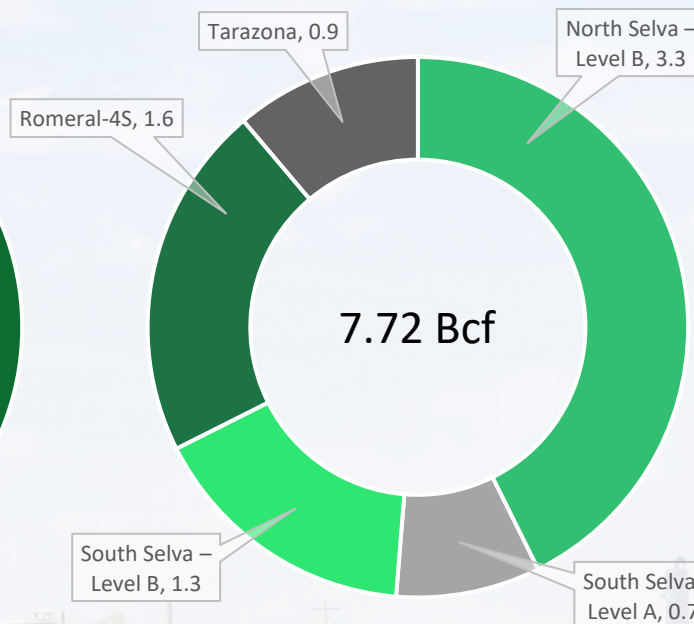
- ▶ Highly experienced team of technically led professionals
- ▶ CEO's proven track record of growing companies with more than 40 years in the oil & gas industry
- ▶ Strong Board with independent representation

RESERVES AND RESOURCES (Bcf)

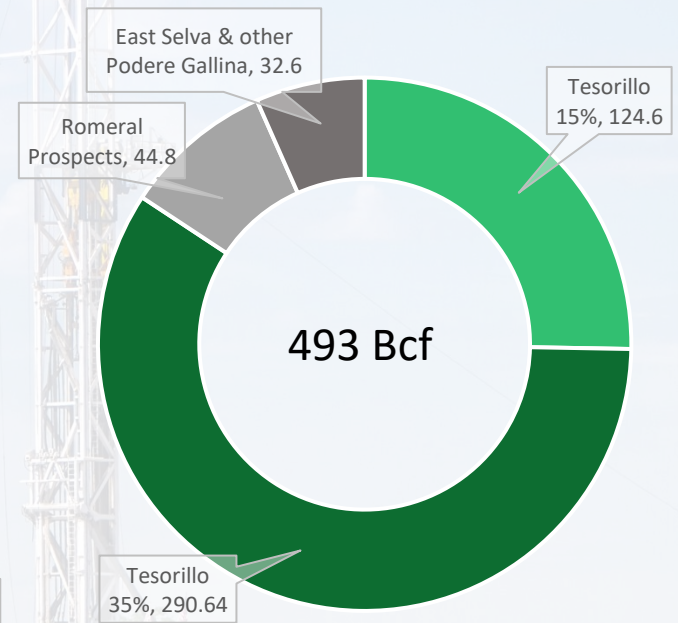
Net 2P Reserves



Net 2C Contingent Resources



Net Best Estimate 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 ten 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

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. 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

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 Oilsexco 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

