



# **PROSPEX**

**ENERGY PLC**

**CORPORATE PRESENTATION**  
**Q3 2024**

**AIM : PXEN**



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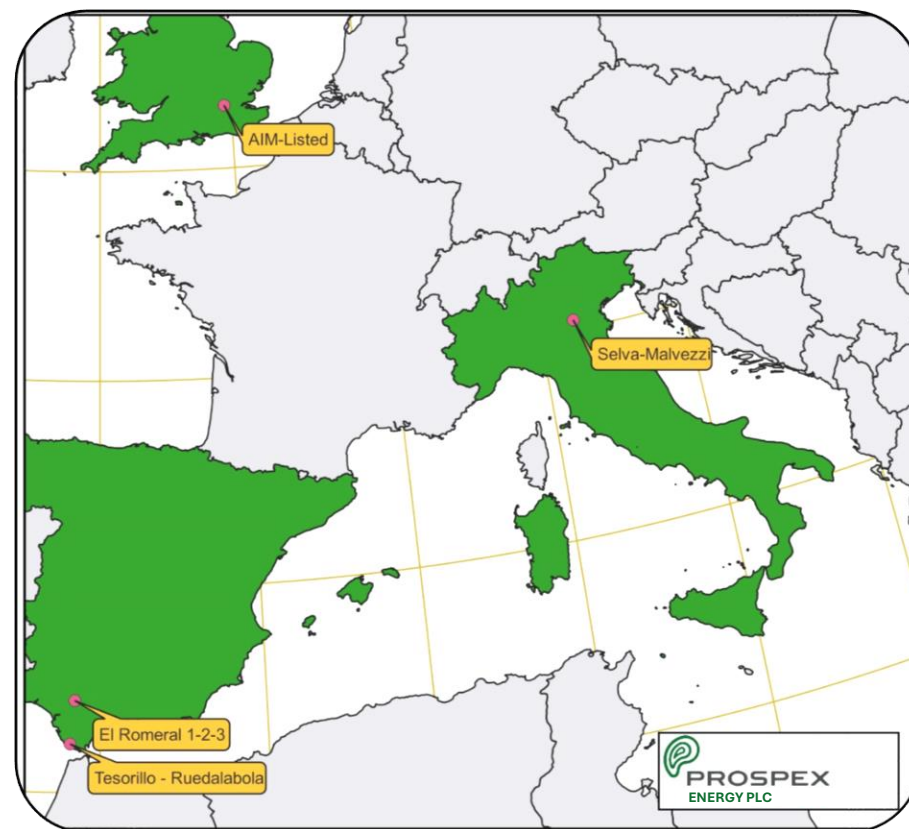
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# OVERVIEW

## UNLOCKING POTENTIAL IN EUROPEAN NATURAL GAS, POWER AND RENEWABLE ENERGY

- PROSPEX is a UK company listed in the AIM market of London as an energy investor (AIM:PXEN) with a focus on onshore Europe to produce gas and electricity
- Two non-operated revenue generating onshore gas investments with low operational risk:
  - Selva Malvezzi, northern Italy
  - El Romeral gas to power plant, southern Spain
- Tesorillo Exploration Permit, southern Spain
- Production income from onshore gas assets in Italy and Spain covers costs and current working capital commitments
- Debt free
- Positioned for growth





# EXPERIENCED BOARD & MANAGEMENT

**Focused on maximising returns from Prospex's established portfolio whilst identifying low-risk growth opportunities that have the potential to generate shareholder value**



**Mark Routh**  
CEO



**Bill Smith**  
Non-Exec  
Chairman



**Andrew Hay**  
Independent  
Non-Exec Director



**Alasdair Buchanan**  
Independent  
Non-Exec Director



**Grant Glanfield**  
Group Head of  
Finance



**Carlos Venturini**  
Chief Geoscientist



**Alecos Stavrou**  
Senior Geologist



**ITALY, SELVA MALVEZZI**

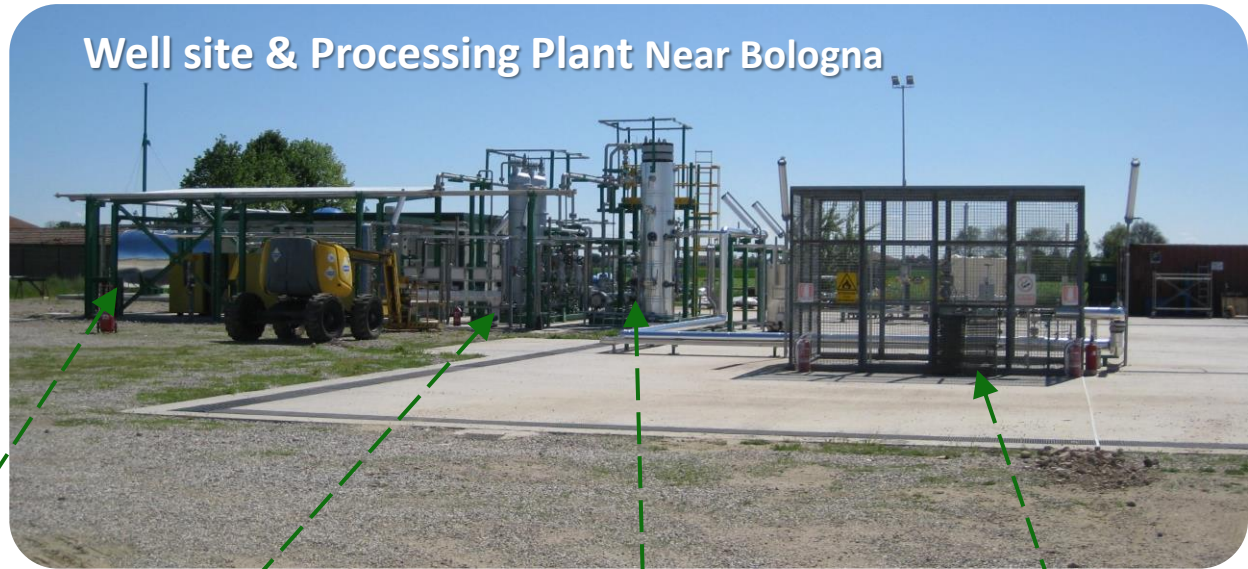
**Prospect owns a 37% Working Interest in the Selva Malvezzi Production Concession in the Po Valley Italy, which contains the Selva field**

(63% : Po Valley Energy – ASX:PVE)



# NORTHERN ITALY - SELVA MALVEZZI GAS PRODUCTION CONCESSION

- Prospex owns a 37% Working Interest in the Selva Malvezzi Gas Production Concession in the Po Valley Italy, comprising the Selva field
- 63% is owned by Po Valley Energy (ASX:PVE)
- Podere Maiar – 1 (PM-1) Well drilled in 2017
- Construction and connection of PM-1 completed in May 2023
- First Gas 4 July 2023
- Present Daily Production: 80,000 Scm/d
- 4 new wells to be drilled in 2024/2025





# SELVA MALVEZZI PRODUCTION CONCESSION PO VALLEY (CONTAINS SELVA FIELD)

Selva Malvezzi is an approved production concession with an area of 81 km<sup>2</sup>

July 2022

- Production Concession granted by the Regulator

Feb 2023

- 12-month environmental baselines for seismicity before gas production completed

May 2023

- Fully automated gas plant installation and 985m 4-inch pipeline connecting the well to the grid

4 July 2023

- Selva Field first gas production started

Current

- Permits to drill three follow-on wells being progressed

## Ownership:

- 37% owned by Prospex (AIM:PXEN)
- 63% owned by the operator Po Valley Energy Ltd (ASX:PVE)



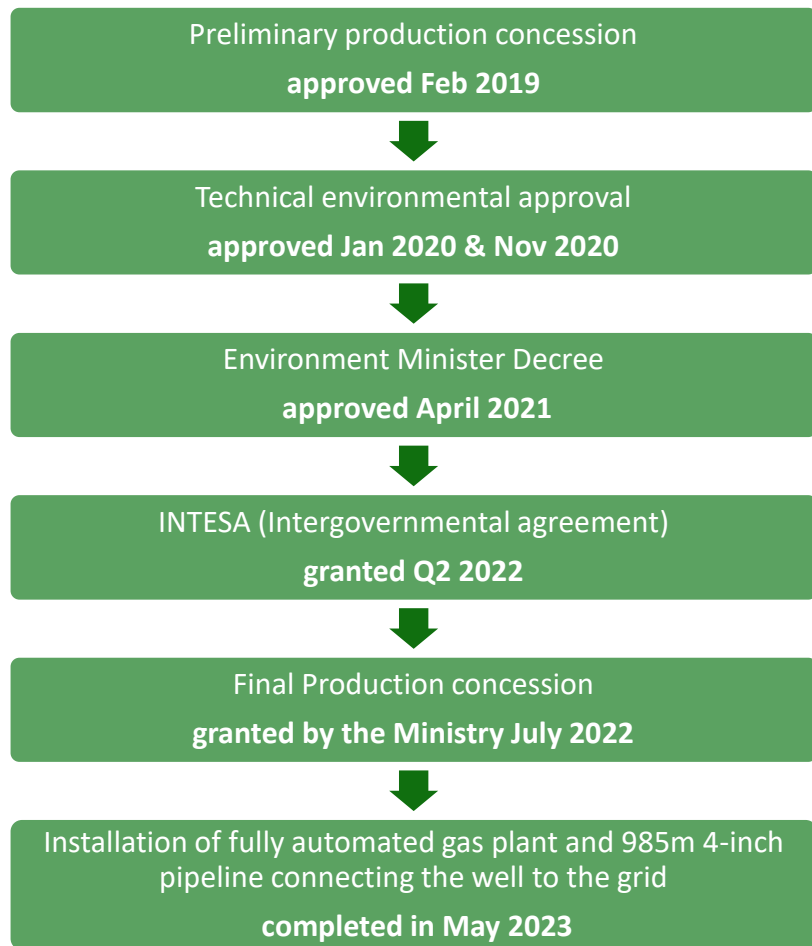
The Podere Maiar-1 well at Selva (PM-1) was drilled in 2017

- Daily production of ≈80,000 standard cubic metres per day (scm/d)
- Selling gas to BP Gas Marketing under an 18-month supply agreement



# SELVA GAS PRODUCTION

## Route to Production

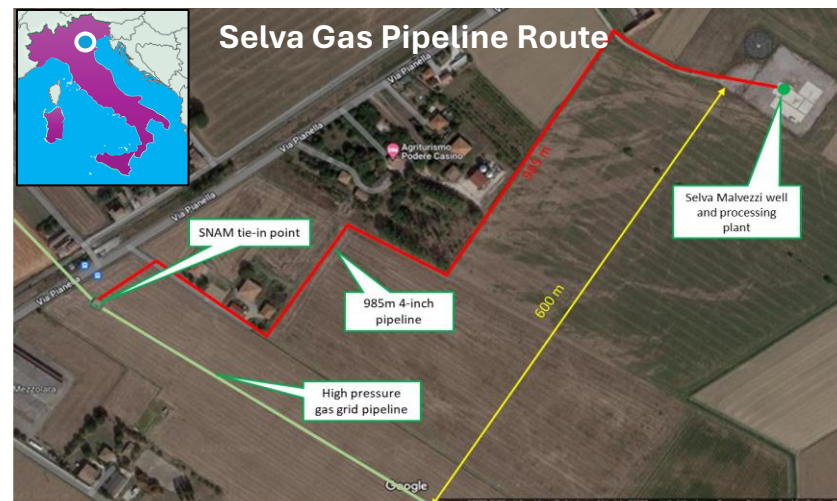


## Strong Flow Rate

- C1 and C2 sands tested >150,000 scm/day in test (≈5.3 MMscfd)
- Plant designed to handle 150,000 scm/day (≈5.3 MMscfd)
- Pipeline can handle up to 250,000 scm/day
- Budget based on 80,000 scm/day (≈2.8 MMscfd)

## Catalyst to Re-Rating

- Has increased net production by 3 to 4 times
- Generates free cash and allows exploration & development of wider portfolio

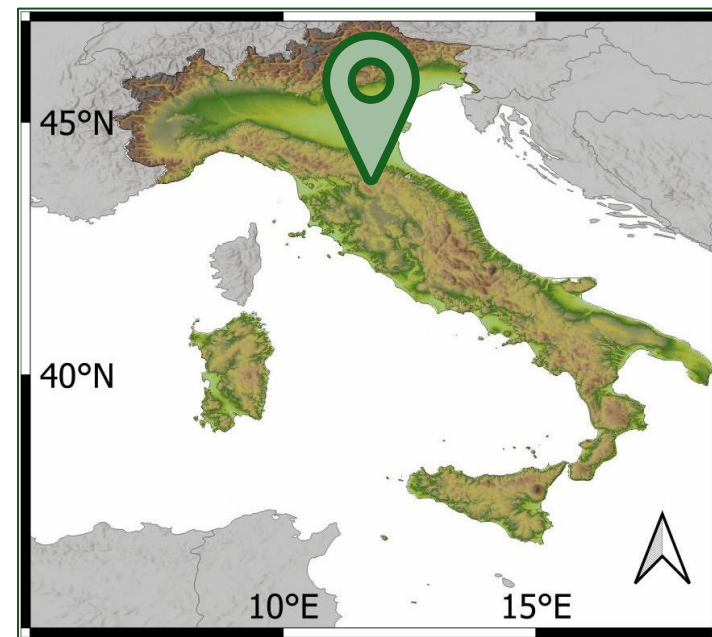






# SELVA PROVEN GAS RESERVES

- Oct 2017**
  - PXEN farmed-in to 17%
- Dec 2017**
  - Podere Maiar (PM-1) discovery well drilled
- Jan 2018**
  - Well tested gas to surface from 2 intervals
  - The well is now in production
- Apr 2022**
  - Completed acquisition of UOG's 20% working interest in Selva
  - Brings PXEN interest to 37%
- May 2023**
  - 4-inch pipeline connects the PM-1 well to the SNAM gas grid
- Ongoing**
  - Multiple follow-up prospects exist within the permit, some with at very low geological risk
- Ongoing**
  - Three drilling targets being prepared for the environmental and drilling permitting process - Selva North, Selva South and East Selva



2019 CGG CPR categories <sup>[1]</sup>	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

[1] Source: CPR - CGG Services (UK) Limited – July-2022





# SELVA MALVEZZI TIMELINE

## 2021

Environmental Impact Assessment approvals

Executed grid tie-in contract with SNAM

Environmental monitoring boreholes drilled and seismographs installed

## 2022

'Intesa' sent by MiTE<sup>[1]</sup> to the Emilia Romagna Regional government

'Intesa' released by Emilia Romagna Region

12-month seismic environmental monitoring installed & wells drilled (Q2-2022 to Q2-2023)

Production Concession approval (July 2022)

## 2023

Selva 37% development activity & costs (started in Q2 2022)

4-inch 985m pipeline installation and grid connection completed (started in Q4 2022)

First gas production at Selva (4 July 2023)

Completed four week ramp up and commissioning programme in August with  $\approx 80,000$  scm/d achieved since

## 2024

Preparations for further drilling on the concession - Selva North, Selva South & East Selva

Negotiations with landowners for siting the new wells and pipelines

Permit applications and submission of the Environmental Impact Assessment

Contractor selection and drilling equipment procurement

Drilling Selva North & Selva South from the same surface location followed by East Selva

[1] 'MiTE' is the Ministry for Ecological Transition now called Ministry of Environment and Energy Security ('MASE')



**PROSPEX**  
ENERGY PLC



**SPAIN, EL ROMERAL & TESORILLO**

**Prospect owns a 49.9% interest in the El Romeral gas to power plant  
(50.1% owned by Warrego<sup>[1]</sup> and operated by Tarba Energía)**

**Prospect owns a 15% interest in the Tesorillo Exploration Permit  
(85% owned by Warrego<sup>[1]</sup> and operated by Tarba Energía)**



# SOUTHERN SPAIN – GAS PRODUCTION & EXPLORATION



## **El Romeral 1, 2 & 3** (Operated by Tarba Energía)

### **Ongoing Production & Power Generation**

49.9% owned by Prospex / 50.1% owned by Warrego<sup>[1]</sup> (Operated by Tarba Energía)

8.1MW power station generating revenue at spot market electricity prices.

Production from 2 gas wells

Plant operates 24/7 and has now been hybridised with installation of solar panels

Permitting underway for near-term 5-well drilling campaign

5MW Photovoltaic project on land adjacent to the power plant underway

## **Tesorillo** (Operated by Tarba Energía)

### **Exploration Permit** (currently suspended)

15% owned by Prospex and 85% owned by Warrego<sup>[1]</sup>  
PXEN option to increase to 49.9% for €1.725m ahead of drilling a well

Cadiz Province, Southern Spain, over 380 km<sup>2</sup> of surface area

Low Risk Exploration

[1] Warrego Energy Ltd now wholly owned by Hancock Energy (PB) Pty Ltd



# EL ROMERAL PRODUCTION AND DEVELOPMENT

## HISTORY

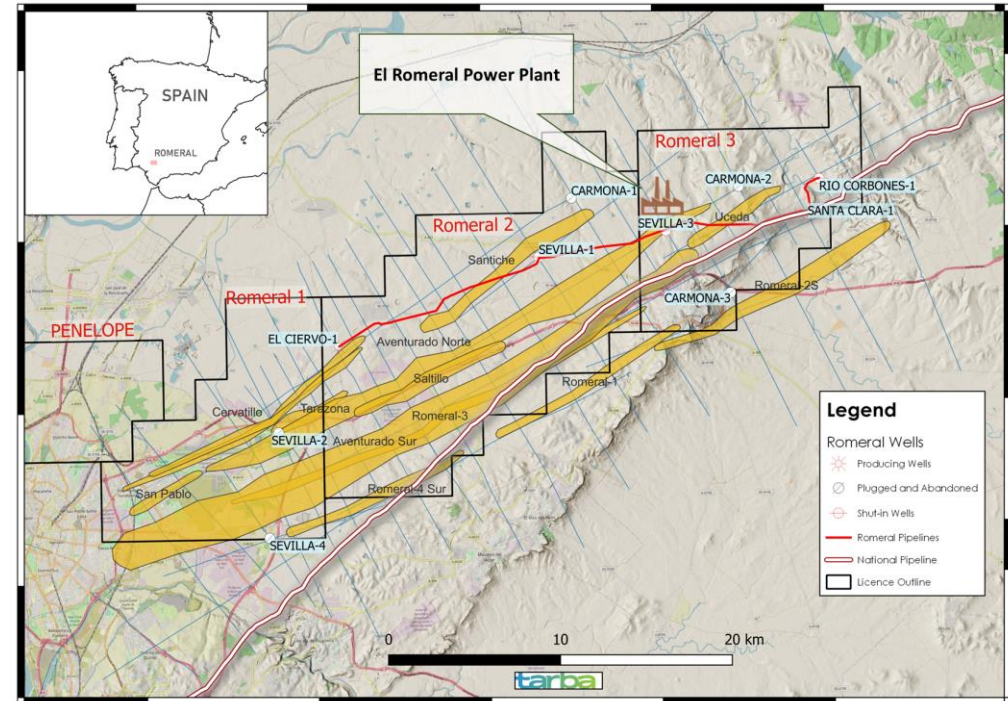
- Since 1983, 7 wells drilled resulted in gas discoveries
- 5 went on production from 2002
- 2 proven undeveloped discoveries (PUDs)

## PRESENT

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

## NEAR FUTURE

- 11 very low risk prospects targeting 90 Bcf<sup>[1]</sup> (Best estimate prospective resources)
- EIA initiation document already submitted for drilling the first five wells
- Expecting update from the regulator before year end
- Rig will be mobilised to drill the first five wells as soon as the permits to drill are granted
- Rig review for future mobilisation ongoing
- Two new wells with production of 25,000 scm/d will take the plant to 100% utilisation



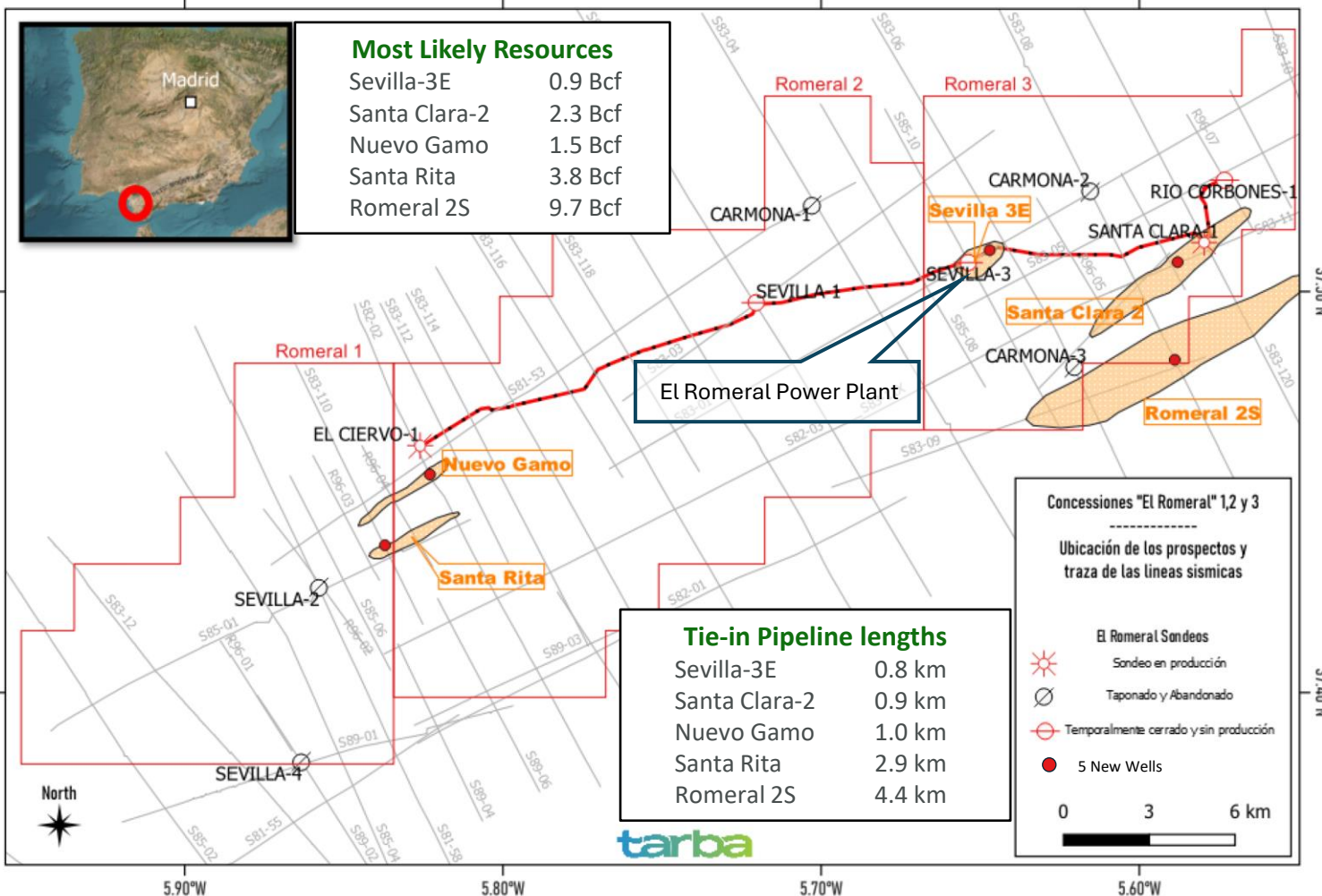
Over 500 km of 2D seismic and AVO by Chevron and Repsol  
Dataset provides in depth basin insight and lowers play risk

[1] Source: Netherlands, Sewell & Associates CPR – June 2019



# SOUTHERN SPAIN - EL ROMERAL 1, 2 & 3 CONCESSIONS

## 5 WELLS FOR PERMITTING, TARGETING 18.2 BCF





# EL ROMERAL

## ESG & BUSINESS DEVELOPMENT OPPORTUNITIES

ACTIVITY	TIMINGS (post Q3 2024 indicative)
✓ Environmental Initiation consultation for 18 new infill gas wells, 5 permits to drill submitted	Q2 2021
✓ Project Apollo - Solar panels installed on power plant roof (payback in 4 years)	Q3 2022
✓ Environmental Impact Assessment submitted and detailed well proposals to permit the drilling of 5 gas wells	Q2 2024
Project Helios – 5 MW array of photo-voltaic panels on adjacent land (cost est. €3.1m- €3.4m)	Q3 2023 – Q3 2024
Authorisation for drilling consent on receipt of environmental approvals and permits – 5 wells	Q4 2024
Drilling 5 natural gas infill wells, completions, pipelines & tie-backs	Q1 2025 – Q3 2025
El Romeral pipeline connection to 26-inch Enagas pipeline network (cost est. ≈€3m)	2025 – 2026
Gas Storage Opportunity for existing non-producing wells	2026 - 2030



Sources: PXEN Estimates, contractor quotes



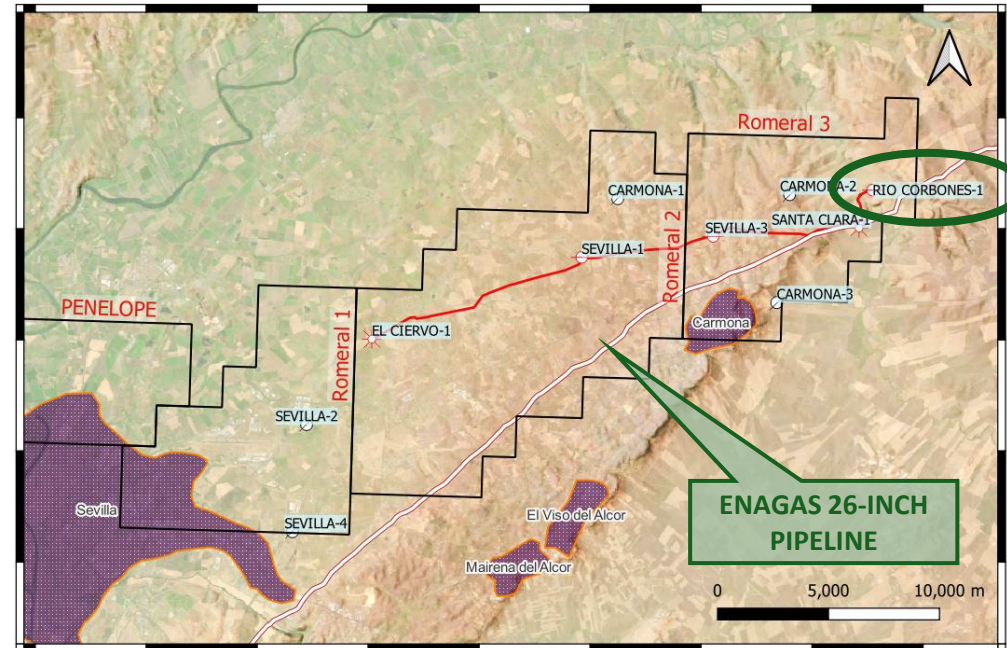


# EL ROMERAL POTENTIAL FOR SHUT-IN WELLS FOR GAS STORAGE

## Potential to increase Spain's fuel independence

Spain only has 3 gas fields active today; El Romeral has the potential to add to those resources

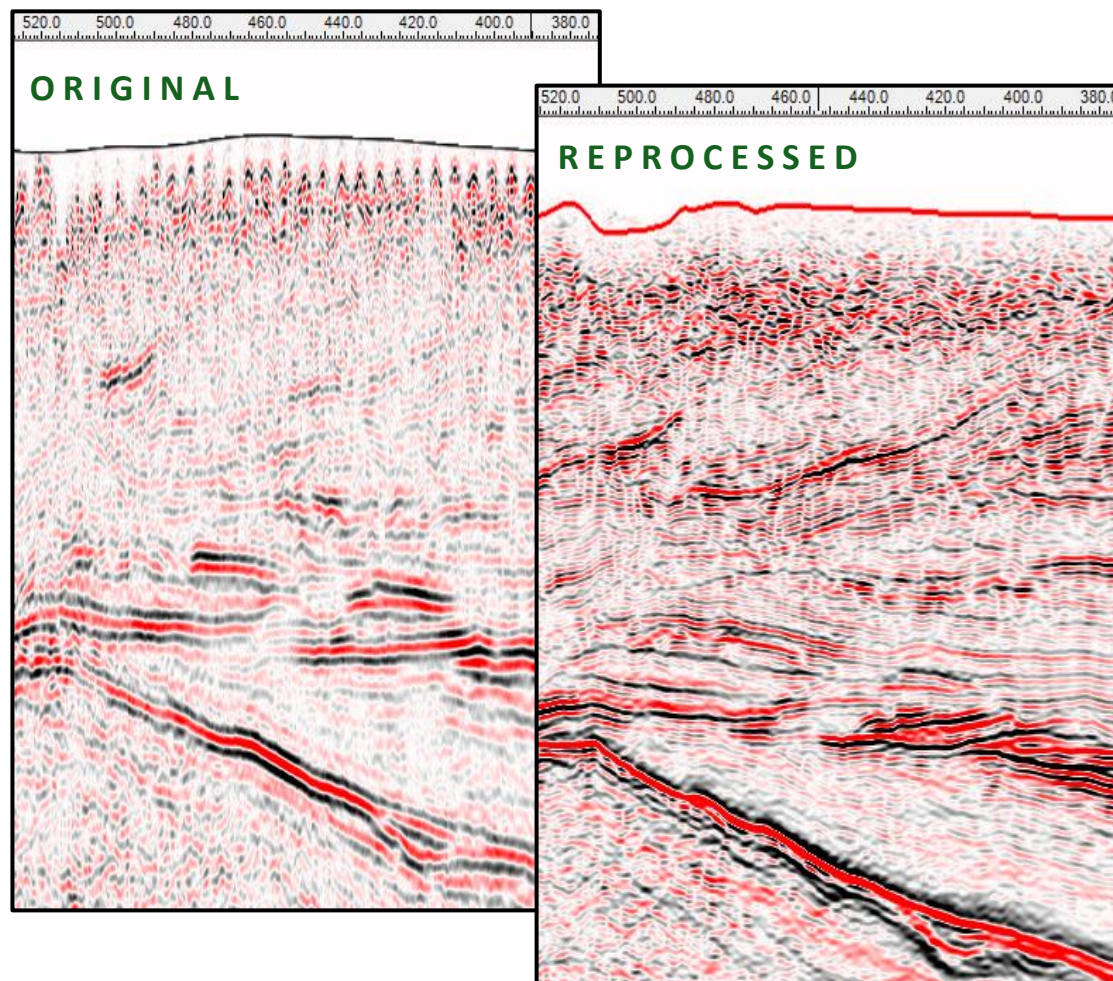
- TARBA has started participating to the EU-financed UNDERGY storage programme, by means of technical information exchange.
- The programme considers using depleted reservoirs as gas storage.
- At least 2 candidates exist within the Romeral concession and one well in particular (Rio Corbones-1) was designed with gas storage in mind.
- A connection to the ENAGAS 26-inch pipeline would be a prerequisite.





## EL ROMERAL SEISMIC PROCESSING

- 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 is now complete, and a shortlist of prospects has been compiled
- AVO products were included in the reprocessing, as they have been instrumental in revealing the presence of gas in the past





# EL ROMERAL PROSPECT DE-RISKING

## High-grading the prospects from the 2022 interpretation

The 2022 interpretation of re-processed seismic data resulted in a list of 20 targets

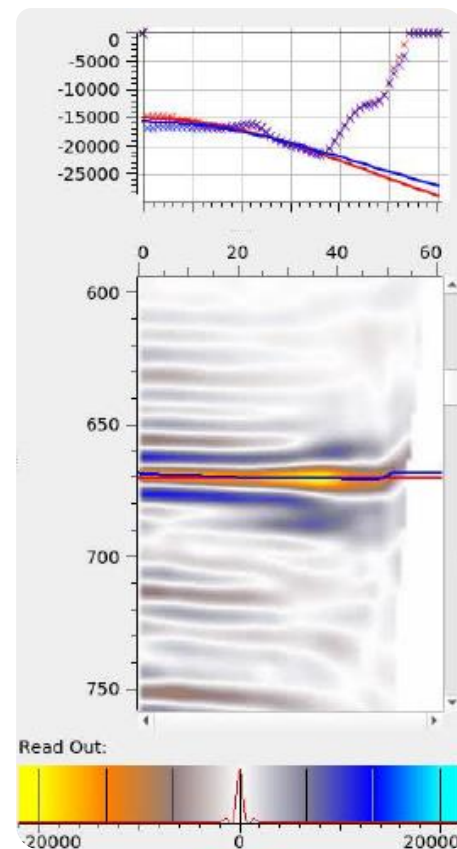
In 2023, we further de-risked these targets by examining AVO anomalies at the pre-stack level with the help of a specialist geophysical consultancy

The class of anomaly was carefully considered, as well as the consistency across seismic lines & the quality of the input data (flatness of gathers etc)

For the most part, priority was given to very low-risk targets, but one moderate-risk target was retained due to resource size

Finally, we submitted an EIA initiation document on 5 selected targets to the Spanish Regulator, with the aim of drilling them as soon as possible

Examining the seismic amplitude with increasing angle, at gathers





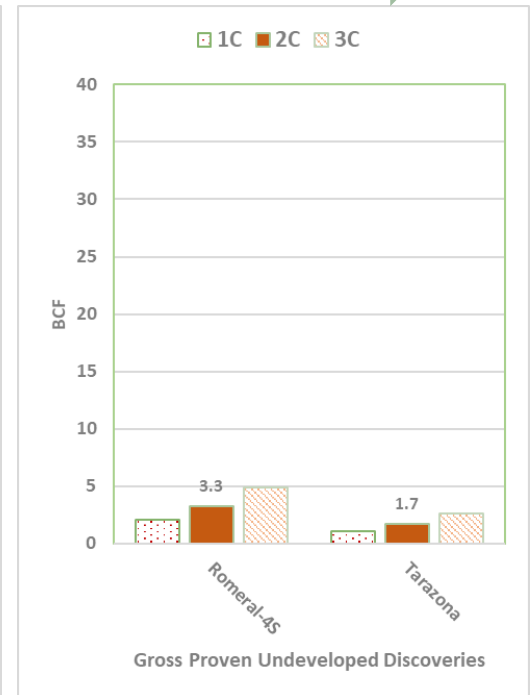
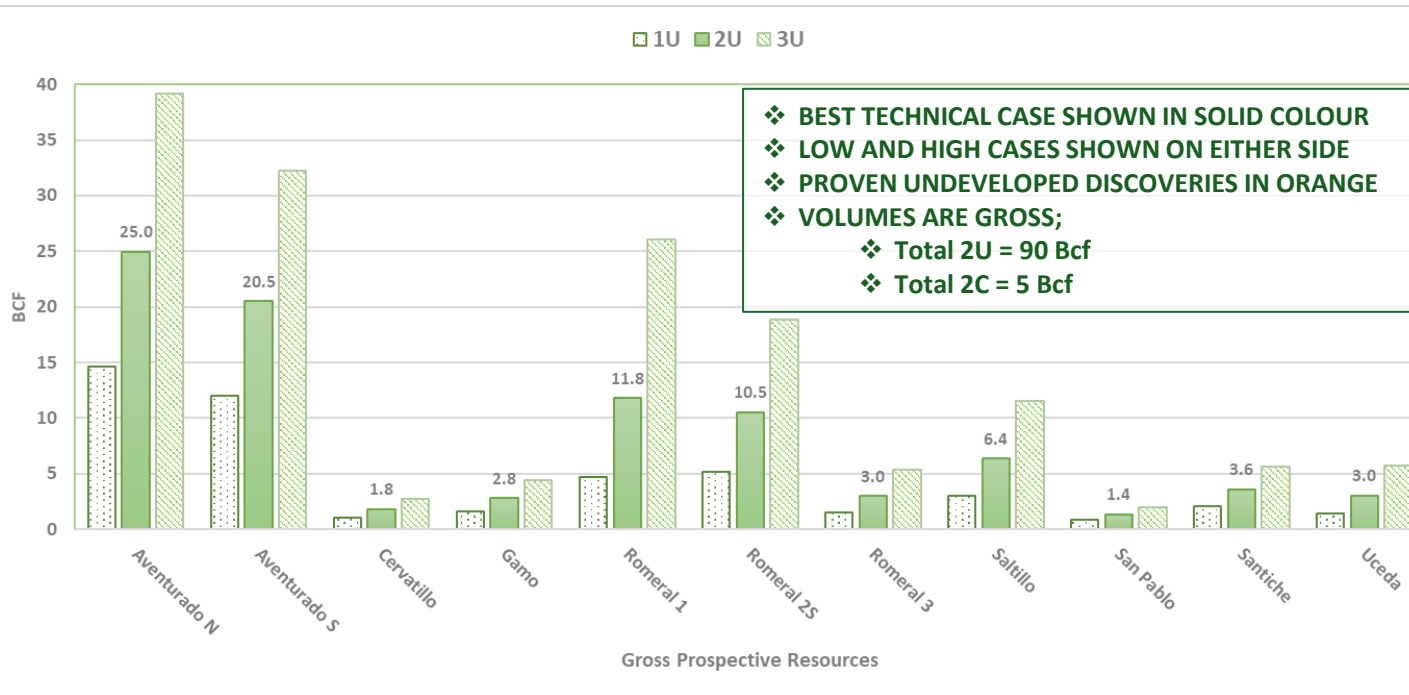
# EL ROMERAL GAS READY FOR DEVELOPMENT

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 are from the June 2019 CPR and will be updated on completion of a new CPR
- New structures have also been identified

\*Source: NETHERLAND, SEWELL & ASSOCIATES (NSAI) CPR – June 2019



# TESORILLO

Prospect owns 15% of Tesorillo (Warrego 85%)  
Prospect option to increase to 49.9%

## Low Risk Exploration

- Contains the Almarchal-1 gas discovery well (drilled in 1957) which logged 212m of net gas pay
- Multiple DST's flowed gas to surface\*

## Large defined share structure

- Operated by Tarba Energía (85% Warrego : 15% PXEN)
- PXEN option to increase to 49.9% for €1.725m ahead of drilling a well

## Certified Resource Validation

- Tesorillo holds independently certified NSAI Gross Prospective Lo/Best/Hi Resources of 219/831/2,288 Bcf\*

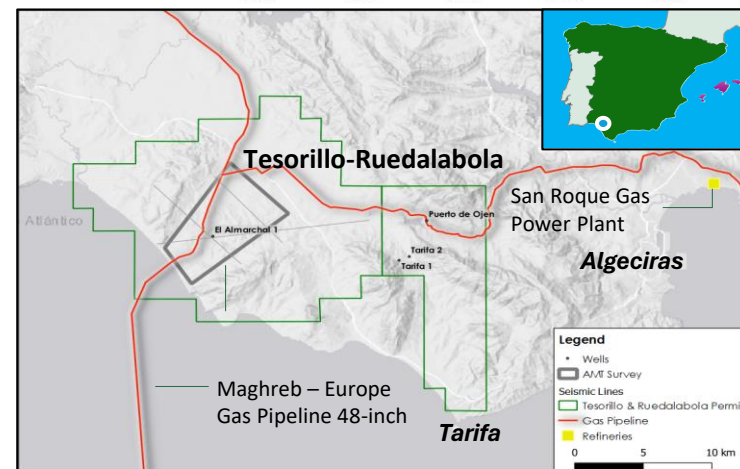
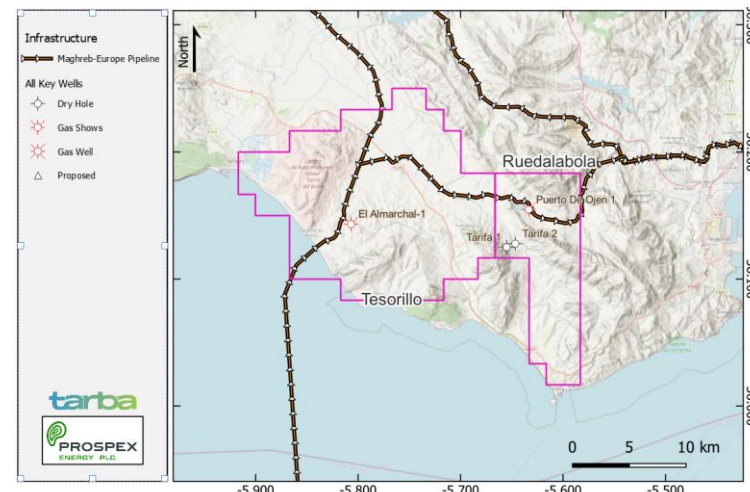
## Pipeline Access

- Close to infrastructure with easy gas monetisation
- 48-inch Maghreb to Europe gas pipeline with excess capacity 3km from well location

## Licence Activity

- EIA Initiation Document submitted Q4 2021 & awaiting feedback
- Exploration Permit currently suspended & awaits Ministry resolution and reinstatement as a production licence
- Reinstatement as Exploitation Concession submitted in May 2021

Cadiz Province, Southern Spain, over 380 km<sup>2</sup> of surface area



\*Source: Netherland, Sewell and Associates Independent Prospective Resource Assessment – 5 May 2015



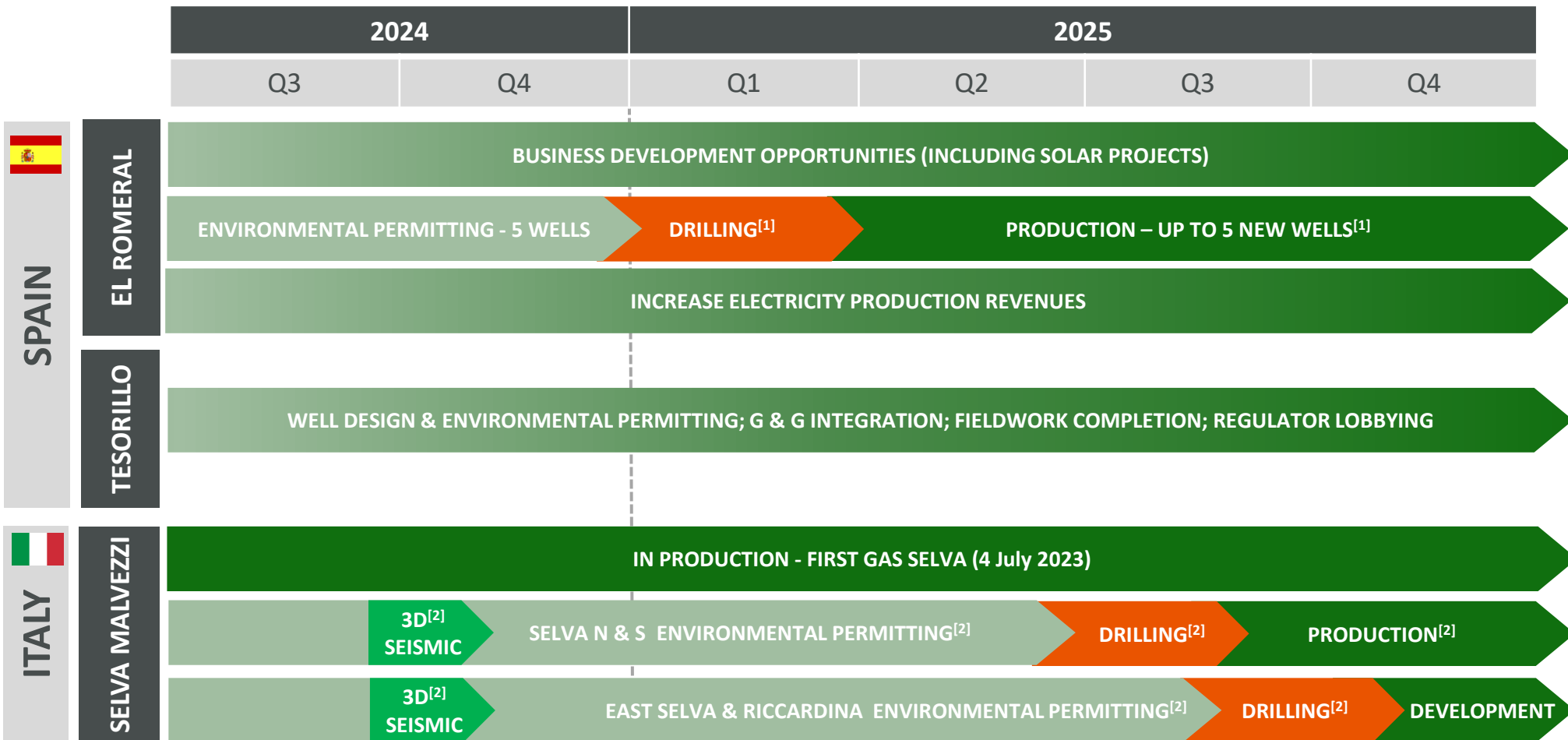
**THE TEAM**

**OUTLOOK & OBJECTIVES**



# 2024/2025 TIMELINES

(EARLIEST DRILLING TIMES SUBJECT TO PERMITTING SCHEDULES)



Sources:- <sup>[1]</sup> Company estimates; <sup>[2]</sup> Operator Po Valley Energy (ASX:PVE)



# POISED FOR GROWTH

## 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 2024 net annual post-tax, post-royalty cashflow figure is in excess of €4 million, according to PXEN calculations.
- Applications for the environmental and drilling permits to drill three additional wells on the Selva production concession are being prepared with the target of drilling in 2024.

## GROWTH IN SPAIN

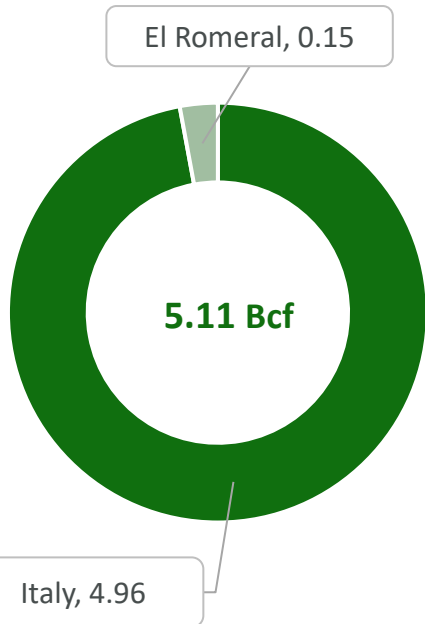
- Five low-risk gas wells identified in our application for permitting to the Spanish Regulator in the Romeral concessions. Environmental Impact Assessment study is with statutory consultees for award of drilling permits.
- Major undeveloped natural gas discovery from 1957, awaiting re-drill in Tesorillo, when the regulator re-activates the permit.
- Solar energy
  - Solar panels installed on the roof of the power plant in August 2022.
  - Tendering complete for the installation of a 5MW array of photo-voltaic panels on land leased adjacent to the El Romeral plant in preparation for project execution.



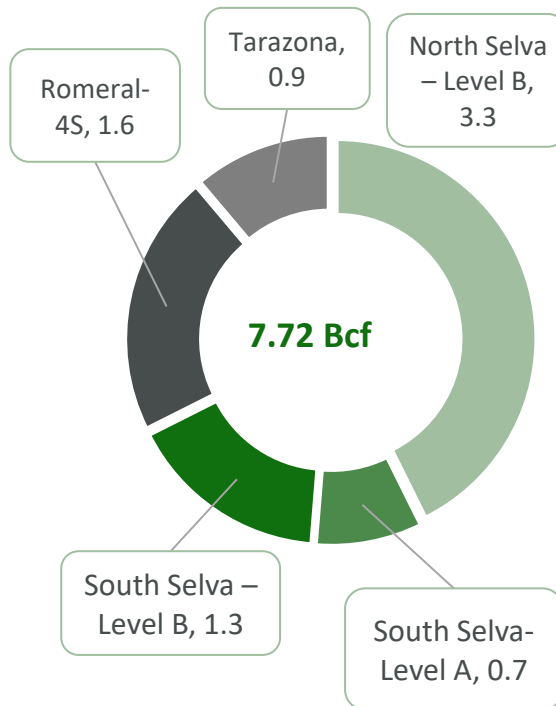


# RESERVES AND RESOURCES

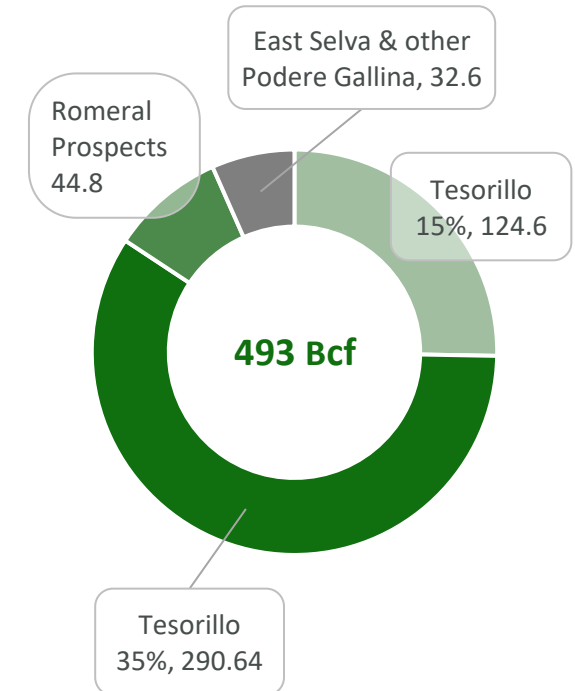
## Net 2P Reserves



## Net 2C Contingent Resources



## Net Best Estimate Prospective Resources





## THE TEAM

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**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 quoted IOG plc and seven years as Chairman/NED of Warrego Energy Ltd. Founded CH4 Energy in 2002, which 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 SE Asia and the North Sea.

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**Grant Glanfield**  
Group Head of  
Finance

Grant is a Chartered Accountant with 35 years' experience in a broad range of financial, project and general management roles within Finance and Energy. Following a successful career in the City, in 2012 he moved into venture capital and to a CFO role for a pan-European E&P group of companies with operations primarily in the United Kingdom and Poland. He joined Prospex in 2018 and, aside from managing day-to-day group finance and administration aspects, contributes to the investment decision-making, execution and ongoing management processes.

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**Carlos Venturini**  
Chief Geoscientist

Carlos is a 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, Siptrol, and his own Libya-based consultancy working for Petrobras, GDF and OMV amongst others. He has worked in more than 30 basins and 3 continents and is an expert in Mediterranean and African petroleum geology.

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**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.

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**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 Senenergy 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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**Andrew Hay**  
Independent Non-  
Executive Director

Andrew is a graduate of Oxford University and has more than 30 years of experience in corporate banking, the debt & equity capital markets and international M&A in London and New York. Currently a Senior Adviser at Smith Square Partners. Formerly Chairman of LGB Corporate Finance and led the corporate finance business of Edmond de Rothschild in London. Previously, Andrew held senior positions at ING Barings and Schroders. Until May 2017, Andrew was a Non-Executive Director of Aminex plc and was a Non-Executive Director of Independent Oil & Gas plc, until February 2018. Since 2020, he is the senior Non-Executive Director and chair of audit committee at Great Western Mining Corporation PLC, the AIM quoted mineral exploration and development company with licences and operations in Nevada.

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# SUMMARY



## Investment Case

- Secured reserves/commercial revenue generation
- Still trading at discount to recent analyst<sup>[1]</sup> target price
- Huge potential NPV uplift from new projects
- Focused on shareholder growth



## 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 onshore 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

<sup>[1]</sup> Source: VSA Capital research note. Target price 20.1p – March 2024



# PROSPEX

ENERGY PLC



[www.prosplex.energy](http://www.prosplex.energy)