

Press Release

23 January 2025

Enwell Energy plc
 (“Enwell” or the “Company”)

Quarterly Operations Update

Enwell Energy plc (AIM: ENW), the AIM-quoted oil and gas exploration and production group, provides an update on its operational activities in Ukraine in respect of its Mekhediviska-Golotvshinska (“MEX-GOL”), Svrydivske (“SV”) and Vasyschevskoye (“VAS”) gas and condensate fields and Svystunivsko-Chervonolutskyi (“SC”) exploration licence.

Production - Q4 2024

The average daily production of gas, condensate and LPG for the 82 days that the MEX-GOL, SV and VAS fields were producing over the period from 1 October 2024 to 31 December 2024 was as follows:

Field	Gas (MMcf/d)		Condensate* (bbl/d)		LPG (bbl/d)		Aggregate boepd	
	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023
MEX-GOL & SV	7.4	9.1	444	346	233	368	1,922	2,212
VAS	0.5	-	7	-	-	-	92	-
Total	7.9	9.1	451	346	233	368	2,014	2,212

*Condensate includes light oil from well MEX-102

The ongoing war in Ukraine continues to cause disruption to operations at the Company’s fields, and the adverse regulatory actions taken by the Ukrainian authorities, culminating in suspension of the MEX-GOL, SV and VAS licences between 15 November 2024 and 25 November 2024, similarly negatively impacted the Company’s operations during the period, most notably by the loss of production from those fields. However, following the interim rulings of the Poltava District Administrative Court in Ukraine to lift the suspensions of these licences, production from those fields resumed. Gas production volumes at the MEX-GOL and SV fields were lower when compared with Q4 2023 predominantly due to the period of suspension of production and natural field decline. There are no Q4 2023 comparative average production figures for the VAS field since the VAS licence was suspended during that period.

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Production - Full Year 2024

The average daily production of gas, condensate and LPG for the 356 days that the MEX-GOL and SV fields were producing (365 days in 2023) and the 143 days that the VAS field was producing (124 days in 2023), over the 2024 year, was as follows:

Field	Gas (MMcf/d)		Condensate* (bbl/d)		LPG (bbl/d)		Aggregate boepd	
	2024	2023	2024	2023	2024	2023	2024	2023
MEX-GOL & SV	8.3	9.5	480	368	238	379	2,126	2,314
VAS	0.7	1.7	6	18	-	-	142	330
Total	9.0	11.2	486	386	238	379	2,268	2,644

*Condensate includes light oil from well MEX-102

During the year, regulatory actions taken by the Ukrainian authorities resulted in suspension of (i) the VAS and SC licences between 4 May 2023 and 26 June 2024 and (ii) the MEX-GOL, SV and VAS licences between 15 November 2024 and 25 November 2024, during which periods there was no production from the respective fields.

Operations

Production operations are continuing at the MEX-GOL and SV fields, and, currently, the aggregate production rate is approximately 1,780 boepd. Field operations at site are currently continuing relatively normally, but there have been disruptions to the supply of equipment and fuel, as well as interruptions to the electricity supply, which has caused delays to some activities.

The workover of the MEX-102 well to gain access to the previously productive V-19 and V-20 horizons in the Viséan formation was completed. These horizons had previously been isolated from the producing V-23 horizon. The workover allowed access to one interval in the V-19 horizon and three intervals in the V-20 horizon, and these intervals were tested, with encouraging gas and light oil flows achieved in testing of the V-19 horizon. The flows of light oil are interesting, as this is the only oil producing horizon in the field, although the light oil is similar in composition but slightly denser than the condensate in the field. Currently, the well is producing 0.1 MMscf/d of gas and 218 bbl/d of oil.

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At present, production of LPG is suspended at the MEX-GOL and SV fields whilst the issuance of a new licence for LPG production is awaited, with unfortunate administrative delays affecting the oil and gas industry in Ukraine.

At the VAS field, production operations resumed during August 2024, but achieving a stabilised operating regime took considerable time, and production rates are lower than pre-suspension levels due to low pressure in the producing reservoirs. Currently, the production rate is approximately 151 boepd.

At the SC exploration licence area, planning for the development of the licence area is continuing, including planning for the installation of new gas processing facilities and other surface infrastructure and/or assessing the feasibility of connection to existing gas processing facilities.

In general, the operating environment in Ukraine remains very challenging. The Company continues to be cautious and vigilant with its ongoing operations and is taking the appropriate measures available to protect and safeguard its personnel and business. The safety and wellbeing of its personnel and contractors is paramount and the Company will continue to take all possible steps to ensure their safety.

Cash Holdings

At 31 December 2024, the Company's cash resources were approximately \$99.4 million, comprised of \$83.0 million equivalent in Ukrainian Hryvnia and the balance of \$16.4 million equivalent in a combination of US Dollars, Pounds Sterling and Euros.

Board Changes

On 25 October 2024, the Company announced that Yuliia Kirianova had stepped down as a non-executive director of the Company with immediate effect and that Oleksiy Zayets had been appointed as a director of the Company, whilst remaining Interim Chief Executive Officer.

Period of Suspension of MEX-GOL, SV and VAS Licences

As announced on 18 November 2024, the State Geologic and Subsoil Survey of Ukraine (the "SGSS") issued orders dated 15 November 2024 to suspend the MEX-GOL, SV and VAS production licences. These orders were made pursuant to Ukrainian legislation, specifically Law No. 2805-IX, under which the SGSS has legislative powers to suspend and/or revoke hydrocarbon licences where the ultimate beneficial owner is the subject of Ukrainian Government sanctions.

As announced on 11 October 2024, a Decree of the President of Ukraine numbered 698/2024 and dated 8 October 2024 (the "Decree"), made pursuant to a resolution of the National Security and Defence Council of Ukraine dated 8 October 2024, entitled "On application of personal special economic and other restrictive measures (sanctions)", was implemented, pursuant to which personal special economic and other restrictive measures (sanctions) were applied to, inter alia, Proteas Trustee Services Limited and Proteas Trustees Limited (as well as their respective shareholders Andreas Sophocleous and Konstantina Alkiviadou), Elena Iona and Afrodite Loukiadou, who are trustees of Cypriot Trusts (the "Trustees") that hold a major indirect shareholding interest in the Company.

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Under Ukrainian legislation, the Company's subsidiary companies which own its hydrocarbon licences in Ukraine, namely Regal Petroleum Corporation Limited in the case of the MEX-GOL and SV production licences and LLC Prom-Enerho Produkt in the case of the VAS production licence, are required to register their respective ultimate beneficial owners in the Unified State Register of Legal Entities, Individuals–entrepreneurs and Civil Institutions of Ukraine (the “State Register”). The registration entries for each of these companies states that their ultimate beneficial owners are the Trustees, based on the notifications made by the Trustees to the Company and published to the market on 26 January 2023, 31 July 2023 and 20 March 2024.

As a consequence of such registrations in the State Register, the SGSS recognises the Trustees as the ultimate beneficial owners of the MEX-GOL, SV and VAS production licences. As a result, the SGSS issued the suspension orders dated 15 November 2024 in respect of each of the MEX-GOL, SV and VAS production licences for a period of 10 years effective from 8 October 2024 (being the date of the Decree). As a result, the Company ceased all field operations on each of these licences, including shutting down production operations.

Following the receipt of the suspension orders, the Company issued legal proceedings in the Poltava District Administrative Court in Ukraine to challenge such orders, and within such proceedings, the Company sought interim rulings to have such orders lifted pending determination of the substantive issues in the legal proceedings. As announced on 26 November 2024, the Court made interim rulings to lift the respective suspension orders of the MEX-GOL, SV and VAS production licences pending the determination of the legal proceedings. Following such interim rulings, the Company resumed field operations on each of these licences, including resuming production operations.

The legal proceedings to challenge the suspension orders are continuing, and the Company is consulting with its external legal and other advisers to endeavour to mitigate the risks associated with the regulatory actions of the Ukrainian authorities.

Oleksiy Zayets, Interim CEO, commented: *“The operating environment in Ukraine remains extremely difficult as a result of the war, as well as the challenging regulatory environment. We are pleased to be able to continue our production operations at the MEX-GOL, SV and VAS fields, as well as advancing the development of the SC exploration licence area.”*

For further information, please contact:

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This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014, which forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.

Dr Gehrig Schultz, BSc Geophysical Engineering, PhD Geophysics, Member of the European Association of Geophysical Engineers, Member of the Executive Coordinating Committee of the Continental European Energy Council, and a Non-Executive Director of the Company, has reviewed and approved the technical information contained within this announcement in his capacity as a qualified person, as required under the AIM Rules for Companies.

Definitions

bbl/d	barrels per day
boepd	barrels of oil equivalent per day
cf	cubic feet measured at 20 degrees Celsius and one atmosphere
LPG	liquefied petroleum gas
MMcf/d	million cubic feet per day
\$	US Dollars