

Press Release

17 January 2024

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 2023

The average daily production of gas, condensate and LPG from the MEX-GOL, SV and VAS fields over the period from 1 October 2023 to 31 December 2023 was as follows:

| Field | Gas (MMcf/d) | | Condensate (bbl/d) | | LPG (bbl/d) | | Aggregate boepd | |
|--------------|--------------|-------------|--------------------|------------|-------------|------------|-----------------|--------------|
| | Q4 2023 | Q4 2022 | Q4 2023 | Q4 2022 | Q4 2023 | Q4 2022 | Q4 2023 | Q4 2022 |
| MEX-GOL & SV | 9.1 | 10.8 | 346 | 426 | 368 | 441 | 2,212 | 2,641 |
| VAS | - | 1.6 | - | 14 | - | - | - | 303 |
| Total | 9.1 | 12.4 | 346 | 440 | 368 | 441 | 2,212 | 2,944 |

The ongoing war in Ukraine continues to cause disruption to operations at the Company’s fields, whilst the adverse regulatory actions taken by the Ukrainian authorities, culminating in suspension of the VAS and SC licences on 4 May 2023, have similarly negatively impacted the Company’s operations, with a loss of production from the VAS field. Production volumes at the MEX-GOL and SV fields were lower when compared with Q4 2022 due to natural field decline.

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Production - Full Year 2023

The average daily production of gas, condensate and LPG for the 2023 year from the MEX-GOL and SV fields (351 days in 2022), and for the 124 days in 2023 (147 days in 2022) that the VAS field was producing, was as follows:

| Field | Gas (MMcf/d) | | Condensate (bbl/d) | | LPG (bbl/d) | | Aggregate boepd | |
|--------------|--------------|-------------|--------------------|------------|-------------|------------|-----------------|--------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| MEX-GOL & SV | 9.5 | 11.0 | 368 | 445 | 379 | 318 | 2,314 | 2,604 |
| VAS | 1.7 | 1.8 | 18 | 18 | - | - | 330 | 352 |
| Total | 11.2 | 12.8 | 386 | 463 | 379 | 318 | 2,644 | 2,956 |

Operations

Production operations are continuing at the MEX-GOL and SV fields, and, currently, the aggregate production rate is approximately 2,120 boepd. Field operations are currently continuing relatively normally, but there have been disruptions to the supply of equipment and fuel, as well as interruptions to the supply of electricity, which has caused delays to some activities. In general, the operating environment in Ukraine remains very challenging.

The GOL-107 development well, targeting production from the V-20 and V-23 horizons in the Visean formation, was completed in late October 2023. The well was spudded in December 2022 and drilled to a final depth of 5,190 metres. One interval, at a drilled depth of 5,140 - 5,143 metres, within the V-23 horizon, was perforated and demonstrated gas flows, but at lower than anticipated rates. The well has now been hooked up to the gas processing facilities to undergo longer-term testing to establish its optimal operating parameters and assess whether stimulation of the well may improve flow rates.

At the VAS field and SC exploration licence area, all operations are currently suspended following suspension orders made by the State Geologic and Subsoil Survey of Ukraine (the "SGSS") on 4 May 2023.

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The Company continues to be cautious and vigilant in continuing with its 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 2023, the Company's cash resources were approximately \$77.0 million, comprised of \$56.3 million equivalent in Ukrainian Hryvnia and the balance of \$20.7 million equivalent in a combination of US Dollars, Pounds Sterling and Euros.

Suspension of VAS and SC Licences

As announced on 4 May 2023, the SGSS has issued orders suspending the Company's VAS production licence and SC exploration licence.

This followed action by the Ministry of Justice of Ukraine (the "MoJ") on 2 May 2023, which made Orders (the "MoJ Orders") cancelling the registration entry made on behalf of three Ukrainian subsidiaries of the Company named LLC Prom-Enerho Produkt ("PEP"), LLC Arkona Gas-Energy ("Arkona") and LLC Well Investum ("Well Investum") respectively in the Unified State Register of Legal Entities, Individuals-entrepreneurs and Civil Institutions of Ukraine (the "State Register") relating to the ultimate beneficial owners of such companies. The registration entry for each of these companies stated the ultimate beneficial owners to be the beneficial owners of the indirect majority shareholder of the Company as notified to the Company and published to the market on 26 January 2023, but the MoJ Orders removed each such registration entry and restored the previous entry in the State Register, Vadym Novynskyi ("Mr Novynskyi"). As announced on 26 January 2023, the Company was notified that Mr Novynskyi ceased holding a beneficial interest in the indirect majority shareholder of the Company on 1 December 2022. PEP holds the VAS production licence, Arkona holds the SC exploration licence and Well Investum is a dormant company.

Under Ukrainian Law No. 2805-IX, which came into force on 28 March 2023, the SGSS has legislative powers to suspend and/or revoke hydrocarbon licences of which the ultimate beneficial owner is the subject of Ukrainian Government sanctions. As announced on 9 December 2022, the Ukrainian Government imposed sanctions on Mr Novynskyi, who previously held a major indirect shareholding interest in the Company, but ceased to do so on 1 December 2022 as referred to above. However, following the issuance of the MoJ Orders, Mr Novynskyi is now registered in the State Register as the ultimate beneficial owner of each of PEP and Arkona, and is consequently recognised by the SGSS as the ultimate beneficial owner of each of the VAS production licence and SC exploration licence. As a result, the SGSS issued the suspension orders in respect of each of the VAS production licence and SC exploration licence for a period of 5 years effective from 4 May 2023. Accordingly, the Company ceased all field and production operations on the VAS and SC licence areas.

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Sergii Glazunov, Chief Executive Officer, said: *“The operating environment in Ukraine continues to be extremely challenging as a result of the war, and additionally the regulatory actions and continuing suspension orders made by the Ukrainian authorities are very disappointing. Nevertheless, we are pleased to be able to continue our production operations at the MEX-GOL and SV fields, and to undertake the long-term testing of the GOL-107 well. We continue to consult with our lawyers to pursue all available measures to protect our assets and business and to, hopefully, successfully challenge the regulatory actions taken by the Ukrainian authorities in due course.”*

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.

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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 |