

3 September 2024

UK SOUTHERN GAS BASIN – OPERATIONAL UPDATE

- Re-processed seismic over P2607 licence provides significantly improved imaging of subsurface, including Anning and Somerville fields and other discovered fields and exploration opportunities.
- Revised interpretation of Anning and Somerville confirms previous work and indicates a small increase in Gas Initially In Place (GIIP).
- Hi-grading of additional opportunities within the licence continues to ensure gas recovery is maximised.
- Work programme continues, developing a new subsurface model to allow detailed planning of well locations to maximise gas recovery from each well, while minimising drilling risk.
- ¹UK NBP gas prices (~93p/therm) and futures have strengthened throughout the summer after the lower prices in early spring even with European gas storage levels at 90% of capacity.
- Viaro Energy has reached an agreement with Shell and ExxonMobil to acquire a 100% working interest in the associated gas infrastructure which has been identified as one possible offtake route for Hartshead's Phase I development
- Hartshead awaiting further clarity on UK Government Energy Profits Levy

Hartshead Resources NL (**Hartshead, HHR** or the **Company**) is pleased to provide an operational update. In the last quarter of 2023, Hartshead received the reprocessed volume of seismic data purchased from specialist seismic contractor PGS. The reprocessing involved performing pre-stack depth migration processing on the existing seismic data to provide better imaging of the subsurface in at the Anning and Somerville fields, as well as some of the other opportunities in licence P2607.

¹ ICE UK Natural Gas Contract and Futures Pricing (www.marketwatch.com)

Interpretation of the reprocessed data has now largely been completed with very positive results. Delineation of the Anning and Somerville fields has predominantly shown only small differences between the two seismic versions giving improved robustness to the estimate volumes of GIIP. Where there is a difference, near the flank of the fields, structures have been lifted up, increasing the volume within the fields.

Imaging of the exploration prospects within the area of the reprocessed seismic has also been enhanced, allowing a more rigorous review of the opportunities. The review will identify the key opportunities to progress in conjunction with the Anning and Somerville development, ensuring development synergies with the aim of maintaining gas production as high as possible for longer.

Subsurface Modelling

The improved seismic data has been used to enhance the subsurface model for the Anning and Somerville fields, allowing a single model to be built covering both fields. Combined with updated reservoir properties, the new model will facilitate detailed responses to questions previously asked by the North Sea Transition Authority (NSTA) as part of the Field Development Plan (FDP) approval process.

Prior to detailed well planning commencing, the well paths will be derived within the subsurface model to optimise the well trajectories ensuring maximum gas recovery from the most cost effective drilling operations.

Oil & Gas UK Government Energy Profits Levy (EPL)

A policy paper published by the government has advised of changes to the UK EPL. Many of these changes were previously detailed as part of the Labour Manifesto including a 3% increase in the EPL rate to 38% from 1 November 2024, an extension to the EPL expiry to 31 March 2030 (currently 31 March 2029) and the removal of the 29% investment allowance from 1 November 2024. The Government will also reduce the extent to which capital allowance claims can be considered in calculating levy profits; however, the extent of the reduction will only be announced in the October budget following engagement with stakeholders.

South North Sea Gas Infrastructure

Viaro Energy has reached an agreement with Shell and ExxonMobil to acquire a 100% working interest in the Shell-operated UK Southern North Sea (SNS) assets. The acquisition includes the Corvette and Leman fields (and the associated infrastructure), which has been identified as one possible offtake route for Hartshead's Phase I development.

Gas Price

Despite the European Commission announcing that gas storage levels were greater than 90% on 21/08/2024, NBP spot gas price has remained over 90p/therm, with winter future contracts above £1/therm. This indicates that there has been strong gas demand through the summer months, which is forecast by the market to extend into the winter season.

Chris Lewis, Hartshead CEO, commented: "The recent sub-surface work undertaken by the team serves to increase our confidence in the volumes of gas remaining to be recovered at Anning and Somerville, as well as assisting with future detailed well planning to maximise recovery and minimise risk. All of this work ensures that the field development execution will be successful in delivering gas to the UK grid.

We see strong gas prices in Europe leading out of summer, demonstrating the continued robustness of the European gas market which unpins future gas prices in the UK."

-Ends-

The Board of Directors of Hartshead Resources NL authorised this announcement to be given to ASX.

For further information on this announcement, visit www.hartshead-resources.com.au or contact:

CONTACTS


Christopher Lewis
Chief Executive Officer


w: +61 8 9226 2011
e: info@hartshead-resources.com

Jane Morgan
Investor and Media Relations

w: +61 405 555 618
e: jm@janemorganmanagement.com.au

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Notes to Editors:

Hartshead Resources NL

ASX-listed Hartshead Resources NL is focussed on building a financially, technically and environmentally responsible European Energy business.

Hartshead's goal is to secure and invest in projects where resources can be extracted and delivered to meet Europe's growing energy demand while supporting the transition to a low carbon future.

In progressing this strategy Hartshead is focused on the development of Production Seaward License P2607 (60% owned RockRose Energy/40% Hartshead), comprising of five blocks which contains four existing gas fields in the UK Southern Gas Basin.

Hartshead brings together a highly experienced oil and gas team with specialised knowledge covering subsurface, engineering, commercial, QHSE and capital markets with the required skillsets needed to deliver oil and gas upstream projects successfully and safely.

UK Southern North Sea Production Seaward License P2607 – Reserves, Contingent and Prospective Resources

Please refer to the qualified person's statement relating to the reporting of reserves on Hartshead Resources Southern North Sea License P2607 in Hartshead's ASX announcements dated 23 June 2022. The volumetric estimates used to derive the estimates below have been made by combining probabilistically derived estimates of initial in place gas volumes with assumptions regarding the gas recovery factors from analogous fields, such as the Clipper South and Babbage gas fields located in the UK Southern Gas Basin.

Please refer to the qualified person's statement relating to the reporting of contingent and prospective resources on Hartshead Resources Southern North Sea License P2607 (60% owned RockRose Energy/40% Hartshead), in Hartshead's ASX announcements dated 6 April 2022 and 8 March 2022.

The Company is not aware of any new information or data that materially affects the information about the contingent resource or prospective resource estimates included in this announcement and

all the material assumptions and technical parameters underpinning those estimates in this announcement continue to apply and have not materially changed.

RESERVES ²						
PHASE I	49/17b	Anning	1P		2P	3P
			Sales Gas (Bcf)	73	145.0	245
	Condensate (MMbbl)	0.081	0.192	0.375		
	49/17b	Somerville	Sales Gas (Bcf)	107.0	156.5	213
			Condensate (MMbbl)	0.119	0.208	0.325
Total (MMboe)		31.2	52.4	79.7		

CONTINGENT RESOURCES ³ (BCF)				1C	2C	3C	GCoS
PHASE II	49/6c, 49/11c	Lovelace		14	39	70	100%
	48/15c	Hodgkin		35	100	387	100%

PROSPECTIVE RESOURCES (BCF)				1U	2U	3U	GCoS
PHASE III EXPLORATION	49/17b	Garrod		16	52	125	50%
	49/17b	Ayrton		25	74	146	41%
	49/17b	McLaren		18	27	39	54%
	49/17b	Stephenson		36	47	60	43%
	49/17b	Widdowson East		6	29	79	32%
	49/17b	Widdowson Central		11	21	40	50%
	49/17b	Lonsdale		5	16	31	50%
	49/17b	Anderson		5	12	29	45%
	49/12d	Wenlock Prospect 1		4	19	55	36%
	49/12d	Wenlock Prospect 2		1	5	19	36%
	49/11c	Wenlock Prospect 3		1	5	17	36%
	49/11c	FFs Prospect 1		3	11	26	41%

² Reserves estimates are from ERC Equipoise Limited, Independent Competent Persons Report (CPR) entitled "Hartshead Resources NL Somerville and Anning Competent Persons Report" dated June 2022. See Qualified Persons Statement for reserves reporting notes.

³ Hartshead management estimates

49/11c	FFs Prospect 2	8	19	37	35%
49/11c	FFs Prospect 3	4	9	17	34%

Prospective resources are estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) and relate to undiscovered accumulations. These prospective resources estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Forward Looking Statements

This document has been prepared by Hartshead Resources NL (HHR). This document contains certain statements which may constitute "forward-looking statements". It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve and resource estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

HHR's operations and activities are subject to regulatory and other approvals and their timing and order may also be affected by weather, availability of equipment and materials and land access arrangements. Although HHR believes that the expectations raised in this document are reasonable there can be no certainty that the events or operations described in this document will occur in the timeframe or order presented or at all.

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Qualified Person's Statement

The Reserves estimated in this announcement have been made by Dr Adam Law, Director, ERC Equipoise (ERCE), a post-graduate in Geology, a Fellow of the Geological Society and a member of the

Society of Petroleum Evaluation Engineers. Dr Adam Law is qualified in accordance with ASX listing rule 5.41 and has consented to the use of Reserves estimates, and to the form and context in which these statements appear.

ERC Equipoise Ltd. (ERCE) is a leading, employee owned, global energy consultancy headquartered in London with offices in Singapore, Kuala Lumpur and Perth. It's fully integrated team of Geoscientists, Engineers and Economists are specialists in Competent Persons reporting, reserves and resources auditing, technical services, commercial analysis and Expert advisory services. ERCE supports companies in traditional energy sectors as well as providing energy transition and sustainability services.

The Reserves estimates presented in this report were originally disclosed to the market in announcement released on 23 June 2022 and are based on, and fairly represents, information and supporting documentation prepared by Dr Adam Law of ERCE.

The information in this announcement that relates to Reserves estimates is based on information compiled or reviewed by Mr Christopher Lewis. Mr Lewis has consented to the form and context in which the estimated Reserves and the supporting material are presented.

Hartshead has prepared the Contingent Resource and Prospective Resource information in this announcement in accordance with the ASX Listing Rules and the 2018 Petroleum Resources Management System published by the Society of Petroleum Engineers (SPE-PRMS). The Contingent Resource estimates and Prospective Resource estimates presented in this report were originally disclosed to the market in announcement released on 14 December 2020 and updated 8 March 2022 and 6 April 2022. Hartshead confirms that it is not aware of any new information or data that materially affects the information included in the aforesaid market announcements and that all the material assumptions and technical parameters underpinning the estimates in the aforesaid market announcement continue to apply and have not materially changed. The information in this announcement that relates to Contingent Resource information in relation to the Phase II Hodgkin and Lovelace fields and the Prospective Resource information in relation to the Phase III exploration portfolio is based on information compiled by Mr Christopher Lewis and information compiled by technical consultants contracted to Hartshead which has been subsequently reviewed by Mr Christopher Lewis. Mr Lewis has consented to the inclusion of such information in this announcement in the form and context in which it appears and the resources information in this report is based on, and fairly represents, information and supporting documentation reviewed by, or prepared under the supervision of, Mr Christopher Lewis.

Mr Lewis is a Director of Hartshead and holds a BSc from the Imperial College, University of London and is a member of The American Association of Petroleum Geologists (AAPG) and the European Association of Geoscientists and Engineers (EAGE). Mr Lewis is qualified in accordance with the requirements in ASX Listing Rule 5.41.