

24 September 2025

Block Energy Plc

("Block" or the "Company")

Interim Results for the Six Months Ended 30 June 2025

Block Energy plc, the development and production company focused on Georgia, is pleased to announce the interim results for Block Energy plc and its subsidiaries (the "Group") for the six months ended 30 June 2025.

Highlights:

- Operational man-hours worked of 136,065 (1H 2024: 144,072 man-hours) with zero lost time incidents (1H 2024: One).
- Net cashflow remained operationally positive throughout the period.
- The Group recorded a loss for the period of \$639,000 (1H 2024: profit of \$2,000) and EBITDA of \$81,000 (1H 2024: \$645,000). The result reflects the fall in oil prices in the period together with reduced oil inventory levels at period end of \$498,000 (1H 2024: \$23,000), which increased cost of sales.
- Further reductions in G&A spending to \$1,010,000 (1H 2024: \$1,372,000) demonstrating effective cost control despite ongoing work on strategic projects.
- Production remained stable, with total production of 87.5 Mboe comprising 66.4 Mbbls of oil and 21.1 Mboe of gas (1H 2024: 82.8 Mboe, comprising 61.3 Mbbls of oil and 21.5 Mboe of gas).
 - Average daily production of 483 boepd (1H 2024: 455 boepd).
- Oil sales of 49.9 Mbbls with revenue of \$3.02 million, representing a weighted average price of \$60.5 per barrel (1H 2024: Oil sales of 46.6 Mbbls with revenue of \$3.3 million, representing a weighted average price of \$71 per barrel). Declines in realised prices were caused by a reduction in the Brent benchmark price.
- Gas sales of 82.2 MMcf with revenue of \$0.36 million, representing a weighted average price of \$4.4/Mcf (1H 2024: 93.5 MMcf with revenue of \$0.38 million, representing a weighted average price of \$4.1/Mcf).
- Oil in inventory net to the Company at the end of the period was 8.27 Mbbls (1H 2024: 12.1 Mbbls).
- Cash position of \$845,000 as at 30 June 2025 (31 December 2024: \$1,136,000).

Good progress was made in advancing the strategic projects in the first half:

- Acquired the operational rights to Samgori South Dome at Lower Eocene and Upper Cretaceous intervals for nil cost through its incorporation into XIB. This acquisition added 574 BCF 2U unrisked mean prospective recoverable resources to Project III.
- Acquired a 10% Participating Interest in the high-impact XIQ PSC located to the north of our XIB licence, adding a net 59 MMboe 2U unrisked mean prospective recoverable resources to Project IV.

- Progressed the CCS project with various studies, lab and operational milestones met.
- Continued to see good engagement on the Project III farm-out.

Post period events:

The Company continued with its strategy of asset development post-period:

- Successfully injected CO₂ into the reservoir as part of the ongoing carbon mineralisation pilot.
- Concluded negotiations for the farm-in of a leading international independent E&P company to the XIQ licence, with completion expected Q4 2025 – Q1 2026.
- Spud well KRT-39ST on Project I.

Commenting, Paul Haywood, Block Energy Chief Executive Officer said:

“This has been an important time for Block and since the period end and momentum has accelerated: we have agreed terms with a leading international E&P to farm into Project IV, successfully delivered the region’s first CO₂ injection under our CCS pilot, secured the addition of South Dome and significantly boosting Project III’s gas resources, as well as spudding KRT-39ST. Together, these achievements represent a major endorsement of our portfolio and Georgia’s investment potential, positioning Block strongly for its next phase of growth. Looking ahead, our priorities are clear: complete the Project IV farm-out, progress Project III farmout, advance drilling across our various projects and CCS activity, and evaluate new ventures aligned with our capital-efficient strategy. Each of these represents a catalyst to deliver material shareholder value.”

Stephen James BSc, MBA, PhD (Block’s Subsurface Manager) has reviewed the reserve, resource and production information contained in this announcement. Dr James is a geoscientist with over 40 years’ experience in field development and reservoir management.

****ENDS****

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN.

For further information please visit <http://www.blockenergy.co.uk/> or contact:

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Notes to editors

Block Energy plc is an AIM quoted independent oil and gas production and development company focused on unlocking Georgia's energy potential. The Company holds interests in seven Production Sharing Contracts across central Georgia, covering an area of 4,256 km², including the XIB licence which has over 2.77TCF of 2C contingent gas resources, with an estimated Net Present Value 10 ("NPV^{10y}") of USD 1.65 billion. (Source: IER, OPC 2024 & Internal estimates).

Block is pursuing a four-project strategy to grow production, redevelop legacy fields, explore new deposits, and unlock its multi-TCF gas potential – positioning Georgia as a strategically located hub for European markets. Alongside this, the Company is advancing a carbon capture and storage (CCS) pilot test in Georgia, the first of its kind in the region, as part of its commitment to low-carbon solutions.

Located near the Georgian capital of Tbilisi, Block Energy is well-positioned to contribute significantly to the region's energy landscape. This proximity facilitates seamless operations and underscores our commitment to the economic and energy development of Georgia.

Glossary

- bbls: barrels. A barrel is 35 imperial gallons.
- Bcf: billion cubic feet.
- boe: barrels of oil equivalent.
- boepd: barrels of oil equivalent per day.
- bopd: barrels of oil per day.
- 2C: the unrisksed best estimate scenario of contingent resources.
- Contingent Resources: quantities of hydrocarbons which are estimated to be potentially recoverable from known accumulations but are contingent on technical or commercial factors not currently defined.
- Mbbls: thousand barrels.
- Mboe: thousand barrels of oil equivalent.
- MMbbls: million barrels.
- MMboe: millions of barrels of oil equivalent.
- MMcf: million cubic feet.
- Tcf: Trillion cubic feet.

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months period ended 30 June 2025

	<i>Notes</i>	6 months ended 30 June 2025 Unaudited \$'000	6 months ended 30 June 2024 Unaudited \$'000
<i>Continuing operations:</i>			
Revenue		3,380	3,690
Cost of sales:			
Direct costs		(1,777)	(1,618)
Oil inventory adjustments	7	(498)	(23)
Depreciation and depletion of oil and gas assets	6	(619)	(590)
		<u>(2,894)</u>	<u>(2,231)</u>
Gross profit		486	1,459
Administrative expenses		(1,010)	(1,372)
Share based payments		(14)	(32)
Foreign exchange movements		16	41
		<u>(1,008)</u>	<u>(1,445)</u>
Operating (loss)/profit		(522)	14
Other income		32	3
Finance income		30	15
Finance expense		(179)	(30)
		<u>(639)</u>	<u>2</u>
(Loss)/profit for the period before taxation		(639)	2
Taxation		-	-
		<u>(639)</u>	<u>2</u>
(Loss)/profit for the period from continuing operations (attributable to the equity holders of the parent)		(639)	2
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(38)	(113)
Total comprehensive loss for the period attributable to the equity holders of the parent		(677)	(111)
(Loss)/profit per share (basic)	5	(0.08)c	0.0003c
Earnings before interest, tax, depreciation and amortisation (EBITDA)	4	81	645

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

	<i>Notes</i>	30 June 2025 Unaudited \$'000	31 December 2024 Audited \$'000
<i>Non-current assets</i>			
Intangible assets		418	268
Property, plant and equipment	6	22,578	22,976
		<hr/> 22,996	<hr/> 23,244
<i>Current assets</i>			
Inventory	7	3,858	4,299
Trade and other receivables		746	804
Cash and cash equivalents		845	1,136
Total current assets		<hr/> 5,449	<hr/> 6,239
Total assets		<hr/> 28,445	<hr/> 29,483
<i>Equity and liabilities</i>			
<i>Capital and reserves attributable to equity holders of the Company:</i>			
Share capital	9	3,856	3,733
Share premium		35,110	34,879
Other reserves		5,152	5,066
Foreign exchange reserve		595	633
Accumulated deficit		(19,637)	(18,998)
Total equity		<hr/> 25,076	<hr/> 25,313
<i>Non-current liabilities</i>			
Borrowings	8	-	2,000
<i>Current liabilities</i>			
Trade and other payables		423	1,237
Borrowings	8	2,000	-
Provisions		946	933
Total current liabilities		<hr/> 3,369	<hr/> 2,170
Total liabilities		<hr/> 3,369	<hr/> 4,170
Total equity and liabilities		<hr/> 28,445	<hr/> 29,483

Condensed Consolidated Interim Statement of Cash Flows

For the six months period ended 30 June 2025

	<i>Notes</i>	6 months ended 30 June 2025 Unaudited \$'000	6 months ended 30 June 2024 Unaudited \$'000
Operating activities			
(Loss)/profit for the period before income tax		(639)	2
<i>Adjustments for:</i>			
Finance and other income		(62)	(18)
Finance expense		179	30
Depreciation and depletion	6	619	590
Share based payments expense		14	32
Creditors paid in shares		-	30
Foreign exchange movement		47	258
Net cash flows from operating activities before changes in working capital		158	924
Decrease/(increase) in trade and other receivables		58	(127)
Decrease in trade and other payables		(486)	(363)
Decrease/(increase) in inventory	7	441	(48)
Net cashflows from operating activities		171	386
Investing activities			
Expenditure in respect of intangible assets		(150)	(67)
Expenditure in respect of PP&E		(209)	(243)
Cash used in investing activities		(359)	(310)
Financing activities			
Interest paid		(165)	(154)
Interest and other income		62	18
Net cash flows used in financing activities		(103)	(136)
Net decrease in cash and cash equivalents		(291)	(60)
Cash and cash equivalents at start of period		1,136	713
Effects of foreign exchange rate changes on cash and cash equivalents		-	3
Cash and cash equivalents at end of period		845	656

Consolidated Statement of Changes in Equity

As at 30 June 2025

	Share capital	Share premium	Accumulated deficit	Other reserve	Foreign exchange reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2024 (unaudited)	3,733	34,879	(18,387)	5,104	655	25,984
Loss for the period	-	-	(611)	-	-	(611)
Exchange differences on translation of operations in foreign currency	-	-	-	-	(22)	(22)
Total comprehensive loss for the period	-	-	(611)	-	(22)	(633)
Share based payments	-	-	-	(370)	-	(370)
Shares held by EBT	-	-	-	332	-	332
Total transactions with owners	-	-	-	(38)	-	(38)
Balance at 31 December 2024 (audited)	3,733	34,879	(18,998)	5,066	633	25,313
Loss for the period	-	-	(639)	-	-	(639)
Exchange differences on translation of operations in foreign currency	-	-	-	-	(38)	(38)
Total comprehensive loss for the period	-	-	(639)	-	(38)	(677)
Shares issued	112	218	-	-	-	330
Share based payments accrued in 2024, issued 2025	-	-	-	96	-	96
Share based payments in 2025	-	-	-	14	-	14
Options exercised	11	13	-	(24)	-	-
Total transactions with owners	123	231	-	86	-	440
Balance at 30 June 2025 (unaudited)	3,856	35,110	(19,637)	5,152	595	25,076

Notes to the Condensed Consolidated Interim Financial Statements

For the six months period ended 30 June 2025

1. General information

Block Energy Plc, (the “Company”) is a company registered in England and Wales (05356303), with its registered office at Eccleston Yards, 25 Eccleston Place, London SW1W 9NF.

The Condensed Consolidated Interim Financial Statements of the Group, which comprises Block Energy plc and its subsidiaries (the “Group”), for the six-month period from 1 January 2025 to 30 June 2025, were approved by the Directors on 22 September 2025. The Group’s principal activity is oil and gas exploration, development and production.

The Company’s shares are traded on AIM and the trading symbol is BLOE.

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2024 were approved by the Board of Directors on 21 May 2025 and delivered to the Registrar of Companies. The auditor’s report on those financial statements was unqualified but did include a reference to the material uncertainty surrounding going concern, to which the auditors drew attention by way of emphasis of matter and did not contain a statement under s498 (2) – (3) of Companies Act 2006.

The Company’s auditors have not reviewed these condensed consolidated interim financial statements.

2. Basis of preparation

Management has prepared these interim accounts in accordance with IFRS accounting policies as applied at 31 December 2024 (without the disclosure requirements of IFRS). They do not include all of the information required in annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024 and any public announcements made by Block Energy Plc during the interim reporting period. All amounts presented are in thousands of US dollars unless otherwise stated.

The comparatives are the six-month period ended 30 June 2024, except for the Condensed Consolidated Statement of Financial Position, where the comparatives are as at 31 December 2024.

The accounting policies adopted in this half-yearly financial report are the same as those adopted in the 2024 Annual Report and Financial Statements. There were no new or amended accounting standards that required the Group to change its accounting policies. The Directors also considered the impact of standards issued but not yet applied by the Group and do not consider that there will be a material impact of transition on the financial statements.

Going concern

The Directors have prepared cash flow forecasts for a period of 12 months from the date of signing these financial statements. The Group’s forecasts are reviewed regularly to assess whether any actions to curtail expenditure or cut costs are required.

The Group’s operations presently generate sufficient revenues to cover operating costs and capital expenditures, supporting the continued preparation of the Group’s accounts on a going concern basis.

The Directors are nevertheless conscious that oil prices have been volatile during the past few years and could rise further but could also fall back in the year ahead, and that future production levels depend on both depletion rates from existing wells and the success of future drilling.

As part of their going concern assessment, the Directors have examined multiple scenarios in which oil prices and/or future production levels fall substantially and have concluded that it remains possible that future revenues in at least some scenarios might not cover all operating costs and planned capital expenditures, creating a material uncertainty that may cast doubt over the Group's ability to continue as a going concern.

Whilst acknowledging this material uncertainty, the Directors remain confident of making further cost savings if required and, therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

3. Operating segments

The Group is engaged in the appraisal and development of oil and gas resources in Georgia and is therefore considered to operate in a single geographical and business segment.

4. Adjusted EBITDA

Adjusted EBITDA	6 months ended 30 June 2025 \$'000	6 months ended 30 June 2024 \$'000
Oil and gas extraction - Georgia	713	1,349
Corporate and other	(632)	(704)
Total adjusted EBITDA	81	645

Adjusted EBITDA reconciles to operating profit before income tax as follows:

Total adjusted EBITDA	6 months ended 30 June 2025 \$'000	6 months ended 30 June 2024 \$'000
Depreciation and depletion	(619)	(590)
Finance and other income	62	18
Finance costs and foreign exchange	(163)	(71)
(Loss)/profit before income tax from continuing operations	(639)	2

5. Earnings per share

As the Company has incurred a loss during in the current period, diluted earnings per share have not been presented. The calculation for the loss per Ordinary share is based on the consolidated loss attributable to the equity shareholders of the Company is as follows:

	6 months ended 30 June 2025	6 months ended 30 June 2024
(Loss)/profit attributable to equity Shareholders \$	\$ (639,000)	\$ 2,000
Weighted average number of Ordinary Shares	754,145,097	726,265,669
(Loss)/profit per Ordinary Share (\$/cents)	(0.08) cents	0.0003 cents

6. Property, plant and equipment

Unaudited	Development & Production Assets	PPE/Computer/ Office equipment/ Vehicles	Total
Cost	\$'000	\$'000	\$'000
At 1 January 2025	31,967	2,156	34,123
Additions	96	113	209
Disposals	-	(5)	(5)
Foreign exchange movements	-	20	20
At 30 June 2025	32,063	2,284	34,347
Accumulated depreciation			
At 1 January 2025	9,910	1,239	11,149
Charge for the period	464	155	619
Disposals	-	1	1
At 30 June 2025	10,374	1,395	11,769
Carrying amount			
At 30 June 2025	21,689	889	22,578
At 31 December 2024	22,057	917	22,974

Unaudited	Development & Production Assets	PPE/Computer/ Office equipment/ Vehicles	Total
Cost	\$'000	\$'000	\$'000
At 1 January 2024	31,719	2,032	33,751
Additions*	287	80	367
Disposals	-	(30)	(30)
Foreign exchange movements	-	(16)	(16)
At 30 June 2024	32,006	2,066	34,072
Accumulated depreciation			
At 1 January 2024	8,986	914	9,900
Charge	444	146	590
At 30 June 2024	9,430	1,060	10,490
Carrying amount			
At 30 June 2024	22,576	1,006	23,582
At 31 December 2023	22,733	1,118	23,851

*This includes additions of \$124,000 which relates to capitalised borrowing costs

No impairment was recognised in the six months ended 30 June 2025 (2024: Nil).

7. Inventory

	30 June 2025	31 December 2024
	\$'000	\$'000
Spare parts and consumables	3,287	3,230
Crude oil	571	1,069
	<u>3,858</u>	<u>4,299</u>

Inventories recognised in cost of sales

Movements in the value and volume of oil inventories during the period have been recognised as an adjustment to cost of sales of \$498,000 (2024: \$23,000).

8. Borrowings

In 2023, the Company entered into a \$2 million loan with a simple interest rate of 16% per annum becoming payable every quarter. The loan was drawn down in two tranches, with \$1,060,000 being drawn down on 1 February 2023 and the remainder of \$940,000 being drawn down on 10 May 2023. The maturity date was set at 18 months from the date of the drawdowns.

On 31 July 2024, the Company announced the extension of the loan for a further 18 months (to 2 February 2026) on substantially similar terms. The Company also granted a further 91,185,133 warrants in consideration for this loan extension. These warrants are exercisable at any time up until 30 July 2027 and have an exercise price of 0.85 pence per ordinary share.

\$124,000 of this interest charge was capitalised during the first half of 2024 to reflect borrowing costs directly associated with assets at pre-commercial production stage. All interest was charged to the profit and loss account in the current half year as the assets began to commercially produce.

9. Share capital

The Ordinary Shares consist of full voting, dividend and capital distribution rights and they do not confer any rights for redemption. The Deferred Shares have no entitlement to receive dividends or to participate in any way in the income or profits of the Company, nor is there entitlement to receive notice of, speak at, or vote at any general meeting or annual general meeting.

On 7 February 2025, the Company issued 35,912,008 ordinary shares of 0.25p each to settle part of the 2024 bonus awards.

On 22 May 2025, the Company issued 3,345,398 ordinary shares of 0.25p each to a former employee, following the exercise on 20 May 2025 of nil cost options that had been granted as part of the salary sacrifice scheme put in place between April 2020 and April 2023.

On 30 June 2025, the Company's share capital consisted of 772,653,343 Ordinary Shares (31 December 2024: 733,395,937) and 2,095,165,355 Deferred Shares (31 December 2024: 2,095,165,355).

Called up, allotted, issued and fully paid	No. Ordinary Shares	No. Deferred Shares	Nominal Value \$
As at 31 December 2024	<u>733,395,937</u>	<u>2,095,165,355</u>	<u>3,733,199</u>

Issue of equity on 7 February 2025	35,912,008	-	111,372
Issue of equity on 22 May 2025	3,345,398	-	11,247
As at 30 June 2025	772,653,343	2,095,165,355	3,855,818

10. Related party transaction

The Company's Chief Executive Officer, Paul Haywood has provided \$115,000 of the Loan referred to in note 7 above. \$ 9,124 (2024: 1H 2024: \$ 9,175) has been paid in interest to Mr Haywood in the first half of 30 June 2025.

Mr Haywood is treated as a related party of the Company pursuant to the AIM Rules. Consequently, the participation of Mr Haywood in the provision of the Loan Facility constituted a related party transaction for the purposes of AIM Rule 13.

11. Other matters

A copy of this report is available from the Group's website, www.blockenergy.co.uk