IGas Energy

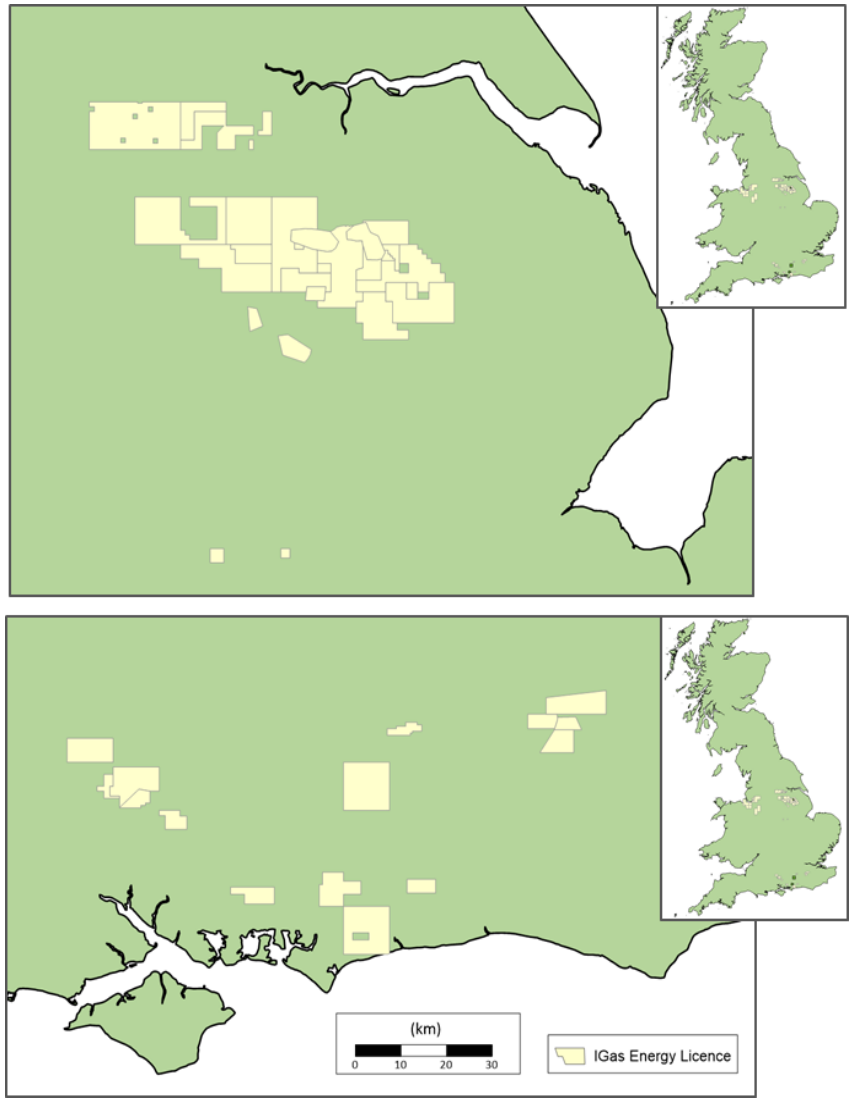
# Diversifying Onshore E&P

# IGas Energy Plc

**Trusted onshore operator**

2020 ROSPA President's Award

- UK producer of oil, gas and electricity
- Operator of c.90 sites across 28 fields: East Midlands and South East
- Committed to safe and responsible development
- ISO 14001 and 9001 accredited: Environmental Management System and Quality Management System
- Experienced and skilled workforce of c.150 people
- Diversify into the wider UK energy market whilst leveraging our core competencies as an UK onshore operator



# Embarking on the energy transition

## Driven by policy, investor sentiment and future opportunity


*"Provide opportunities for oil and gas companies to repurpose their operations away from unabated fossil fuels to abatement technologies such as carbon capture, utilisation and storage (CCUS) or clean energy production such as renewables and hydrogen"*

**Source: Energy White Paper**

# Why we are diversifying

- National Policy
- Regulatory pressures
- Decreasing pools of capital for oil & gas
- ESG requirements of listed businesses
- Shareholder desire


- Large and low cost pools of capital for the low carbon projects/businesses
- Lower project specific risks (or more acceptance of risk)
- Lower regulatory risk

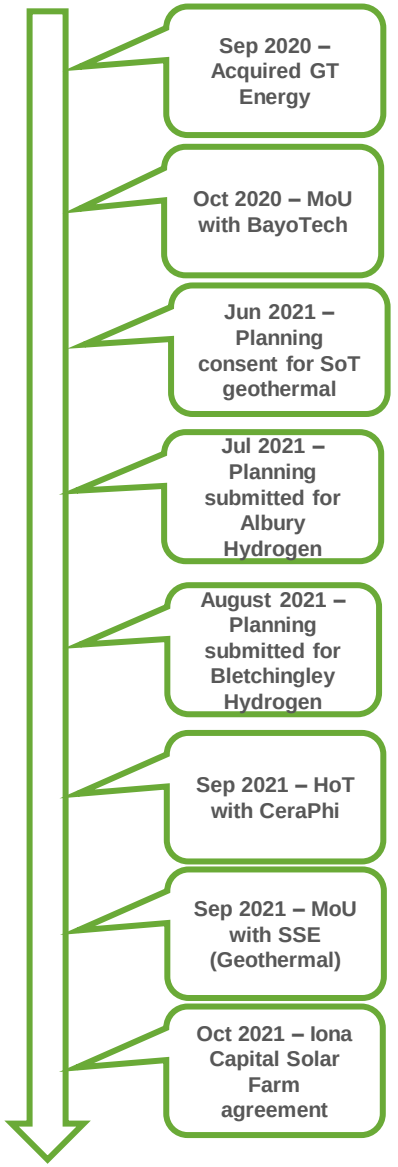
# Leveraging existing skillsets and assets

- Areas of diversification seek to capitalise on:
  - Existing skill sets
  - Existing assets
  - Existing stakeholder relationships (landowners, regulators etc)

# Progressing Diversification

## Leveraging existing assets and skill set

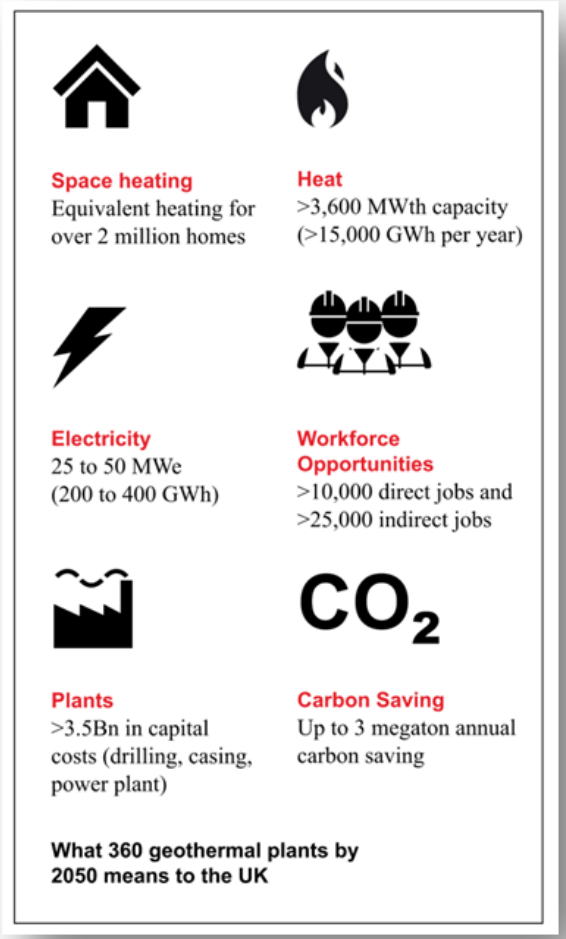
- Greenfield deep geothermal development
  - Pathfinder Stoke-on-Trent geothermal project will supply Stoke City with renewable heat for generations
  - Rapidly expanding pipeline of developments
- Repurposing existing assets
  - HoT with CeraPhi for repurposing wells for future geothermal energy production
  - Initial screening has identified several assets as suitable for carbon sequestration
    - Low cost sequestration solution for otherwise stranded regional carbon emitters
    - Net Zero RISE - Working with consortium including Newcastle, Durham, Oxford and Bristol Universities
- New development on or adjacent to our sites:
  - Renewable energy development at or adjacent to existing sites – Solar development with Iona Capital
  - Energy storage



# Geothermal

## Gathering pace

- Planning consent granted for flagship Stoke-on-Trent project
  - MoU with SSE to deliver network
  - SSE intends to invest £750m over the next 5 years in distributed energy infrastructure – geothermal is core
  - High level of Government interest: ministerial round table/Westminster Hall debate
- Working groups within BEIS looking at support mechanisms
  - Several existing funds identified
  - Long term downstream support dedicated to geothermal for the first 30 deep geothermal projects will unlock a geothermal industry
- April 2021 ARUP and the REA publish new report on the economic and environmental importance of UK deep geothermal
  - Geothermal has the backing of business, academics and NGOs
  - Estimates UK could deliver 360 geothermal projects by 2050
- Growing development pipeline of potential projects across the UK:
  - Manchester
  - Newcastle
  - Southampton
  - Bournemouth



# Hydrogen

## Two active projects

- Existing production sites in Surrey
- Aim to produce fuel cell quality hydrogen for local use by buses and/or HGVs

- Albury well site – 1000kg/day
  - Producing gas in its current configuration since 2018, various planning permissions date back to 1987
  - Grey – $H_2$ Planning and permit applications submitted, consultation completed.
  - Blue; via either
    - Potential sequestration onsite in separate geological interval.
    - Sale of $CO_2$ to local users
- Bletchingley well site – initially 2000kg/day
  - Producing since 2009; first field exploration in 1960s.
  - Grey – $H_2$ Planning application submitted
  - Blue ; via either
    - Potential sequestration onsite in adjacent reservoir.
    - Sale of $CO_2$ to local users

# Summary

Shareholder and management commitment to the journey is crucial

- An honest appraisal of differentiators
- Start wide then focus

Consistent policy is key:

- Our fields, wells and other infrastructure are valuable assets in achieving the energy transition
- Policy should encourage all project sizes, not just ‘mega’ projects as smaller scale projects will:
    - Be deployed more rapidly than mega projects;
    - Can be pathfinders for testing business models, regulation; and
    - Can build resilience to new energy networks.