

29 March 2022

## **RESERVES & RESOURCES EVALUATION FOR NEW COMPETENT PERSONS REPORT AND PEER REVIEW UNDERWAY ON LICENSE P2607**

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### **Highlights:**

- **ERC Equipoise appointed to provide an Independent Technical and Commercial Audit of the reserves and resources associated with the Phase I, II and III developments.**
  - **ERC Equipoise will also conduct a Peer Review of Phase I, II and III technical and commercial workstreams.**
  - **The Independent Audit will be used to compile an ASX compliant Competent Persons Report (CPR) across Seaward License P2607.**
  - **Peer Review will provide expert feedback of completed workstreams and augment the Phase I Concept Select Report (CSR) which is nearing submission.**
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Hartshead Resources NL (**Hartshead, HHR** or the **Company**) is pleased to announce the appointment of ERC Equipoise Limited (**ERCE**) to conduct a Peer Review of the Phase I and II field developments and Phase III exploration portfolio workstreams completed to date. ERCE will also conduct an Independent Technical and Commercial Audit of the reserves and resources on Seaward License P2607 associated with Phases I, II and III for the purposes of the compilation of a new Competent Persons Report (CPR).

### **Peer Review**

The Peer Review of the Phases I, II and III cover the workstreams shown below each technical discipline will be reviewed by an ERCE expert who will provide feedback and highlight any opinion differences between the review team and Hartshead. The ERCE review team will provide any suggestions for any areas of improvement.

- **Phase I Development – Anning and Somerville**
  - Geology & Geophysics and Gas-Initially-In-Place (GIIP) volumetrics
  - Reservoir Engineering, simulation, and production forecasts
  - Well design and costs
  - Greenfield facilities concept screening, selection & costs
  - Export route screening, selection & costs
- **Phase II Development – Hodgkin and Lovelace**
  - Geology & Geophysics and GIIP volumetrics

- Reservoir Engineering and production forecasts
- Conceptual development and costs
- **Phase III Development – Exploration Portfolio**
  - Geology & Geophysics, GIIP volumetrics, resources and risking

#### **Independent Technical and Commercial Audit and CPR**

ERCE will carry out a Technical and Commercial Audit of the reserves and resources associated with the Phase I and II field developments and the Phase III exploration portfolio. The results of the Audit will be compiled into a new CPR which is applicable for filing with the ASX.

The reserves and resources reported in the CPR will be audited to the June 2018 SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System (PRMS) standard. An Economic Evaluation will include the Net Present Value (NPV) based on Discounted Cash Flows (DCF) and economic cut-off of the project.

The audit of the Phase III exploration portfolio will be limited to selected short-listed prospects out of the total portfolio of 14 prospects. For each prospect a review of the subsurface data used to probabilistically assess the GIIP and resources will be carried out and independent estimates of prospective resources and geological chance of success (GCoS) will be made.

Chris Lewis, CEO, stated: “We are pleased to be working with ERCE who have a strong history of involvement with gas development projects in the Southern Gas Basin. I look forward to being able to provide an update on the Company’s resource base once the CPR has been concluded.”

**Ends-**

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#### **CONTACTS**

**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](http://www.hartshead-resources.com.au) or contact:**

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**Notes to Editors:**

**Hartshead Resources NL**

ASX-listed Hartshead Resources NL and 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 its 100% owned Production Seaward License P2607 comprising of five blocks which contain 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 successfully and safely deliver oil and gas upstream projects.

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

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 in Hartshead’s ASX announcements dated 14 December 2020 (see Schedule 3) and 8 March 2022. The Company is not aware of any new information or data that materially affects the information about the contingent resource and 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.

Contingent resources reported herein have been estimated and prepared using the probabilistic method.

CONTINGENT RESOURCES (BCF)				
PHASE I PROJECTS		1C	2C	3C
ANNING	49/17b	84	125	177
SOMERVILLE	49/17b	62	90	124
COMBINED <sup>1</sup>	49/17b	161	217	285

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

<sup>1</sup> Volumes combined stochastically to give portfolio volume

PROSPECTIVE RESOURCES <sup>2</sup>			1U	2U	3U	GCoS
	49/17b	<b>Garrod</b>	16	<b>52</b>	125	50%
	49/17b	<b>Ayrton</b>	25	<b>74</b>	146	41%
	49/17b	<b>McLaren</b>	18	<b>27</b>	39	54%
	49/17b	<b>Stephenson</b>	36	<b>47</b>	60	43%
	49/17b	<b>Widdowson East</b>	6	<b>29</b>	79	32%
	49/17b	<b>Widdowson Central</b>	11	<b>21</b>	40	50%
<b>PHASE III</b>	49/17b	<b>Lonsdale</b>	5	<b>16</b>	31	50%
<b>EXPLORATION</b>	49/17b	<b>Anderson</b>	5	<b>12</b>	29	45%
	49/12d	<b>Wenlock Prospect 1</b>	4	<b>19</b>	55	36%
	49/12d	<b>Wenlock Prospect 2</b>	1	<b>5</b>	19	36%
	49/11c	<b>Wenlock Prospect 3</b>	1	<b>5</b>	17	36%
	49/11c	<b>FFs Prospect 1</b>	3	<b>11</b>	26	41%
	49/11c	<b>FFs Prospect 2</b>	8	<b>19</b>	37	35%
	49/11c	<b>FFs Prospect 3</b>	4	<b>9</b>	17	34%

### 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

<sup>2</sup> 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.

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.

No representation or warranty, expressed or implied, is made by HHR or any other person that the material contained in this document will be achieved or prove to be correct. Except for statutory liability which cannot be excluded, each of HHR, its officers, employees and advisers expressly disclaims any responsibility for the accuracy or completeness of the material contained in this document and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this document or any error or omission there from. Neither HHR nor any other person accepts any responsibility to update any person regarding any inaccuracy, omission or change in information in this document or any other information made available to a person nor any obligation to furnish the person with any further information.

#### **Qualified Person's Statement**

Hartshead has prepared the Contingent Resource and Prospective Resource information in this announcement in accordance with the ASX Listing Rules and the 2007 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 announcements released 14 December 2020 and 8 March 2022. Hartshead confirms that it is not aware of any new information or data that materially affects the information included in the aforesaid market announcement 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 I Anning and Somerville fields is based on information compiled by technical employees of independent consultants, Oilfield Production Consultants Ltd, which information was subsequently reviewed by Mr Christopher Lewis. 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 has 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.