

10 April 2024

UK SOUTHERN GAS BASIN – FURTHER OPERATIONAL UPDATE

- P2607 Joint Venture (JV) continues to work on the development of the Anning & Somerville Gas Fields assuming various possible fiscal scenarios
- JV is committed to progressing the project, subject to certainty regarding future fiscal policy and 2024 JV budget remains in place
- Hartshead continues discussions on project finance, with discussions on infrastructure funding currently underway aimed at reducing upfront CAPEX for the JV
- Dialogue ongoing with various political stakeholders seeking clarity on future fiscal regime
- Hartshead has undertaken a cost reduction initiative to reduce contractor headcount associated with project development, while still maintaining a core JV team
- UK NBP gas prices strengthens to ~70p/therm
- UK 33rd Offshore Licensing Round, NSTA bid evaluation still ongoing

Hartshead Resources NL (**Hartshead, HHR** or the **Company**) outlines that the P2607 Joint Venture (JV) is continuing work on the Phase 1 Gas Field Development. The JV is committed to progressing the project subject to receiving certainty regarding future fiscal policy and confirms that the current 2024 JV budget remains in place.

The Company has had extensive dialogue with various political stakeholders to seek clarity on the future fiscal regime, however at this time, the situation still remains unclear. It is anticipated that beyond the next parliamentary election in the UK, likely in Q4 2024, there will be changes to the oil and gas fiscal regime and Hartshead has been involved in discussions on the proposed changes and their impact on industry. All stakeholders have expressed their desire to create a fiscal regime in the UK that will still attract and enable investment and activity in the sector.

Hartshead is also continuing discussions on project finance and is in discussions on infrastructure funding that has the potential to significantly reduce the upfront CAPEX

required by the JV, associated with the Phase 1 development project. This would be positive in respect to whole project economics, moving CAPEX into OPEX via a tariff payable in respect of third party infrastructure investment, and in respect of Hartshead funding, reducing the funding requirement that Hartshead would need to meet outside the RockRose carry.

Importantly, Hartshead is focused on maintaining its strong cash position during this period of delay and uncertainty. The Company has undertaken a cost reduction initiative in respect of the areas of the project team that were recruited to deliver the current and next phase of the development project and the related contract awards. This has led to a material cut in head count and a reduction of the monthly costs to the JV and to Hartshead directly.

UK NBP gas prices have strengthened to ~70p/therm which is a positive sign given the unusually mild winter in European and large supply of gas storage inventories at the exit of the winter season.

Chris Lewis, Hartshead CEO, commented: “The Joint Venture continue to work to move our gas development project forward, looking at innovative funding arrangements to potentially reduce up front CAPEX. Discussions with policy makers and other stakeholders have been encouraging and I anticipate that a pragmatic solution exists to enable the continuation of the oil and gas industry in the UK.

I would like to thank RockRose for their continued support in the JV and collaboration on moving the project forward.

While it is regrettable that we have had to let so many from the project team go, we recognise the importance of preserving our cash position as much as possible until we have the clarity on policy to enable the project to once again move forward.”

-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:

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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.

RESERVES¹						
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 RESOURCES² (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%

¹ 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.

² 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.