UKEn Hydrogen Storage



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Introduction



- UK Energy Storage (UKEn) is a wholly owned subsidiary of UK Oil & Gas Plc
- Experienced management team transitioning company out of oil and gas and into energy storage
- Salt cavern hydrogen storage projects in:
 - Dorset
 - East Yorkshire

2040 Hydrogen Demand



250

126

150

200

113.1

100

Dorset provides the only co-located salt deposit within the UK's largest cluster (D1) with ~48% of projected 2040 UK H₂ demand

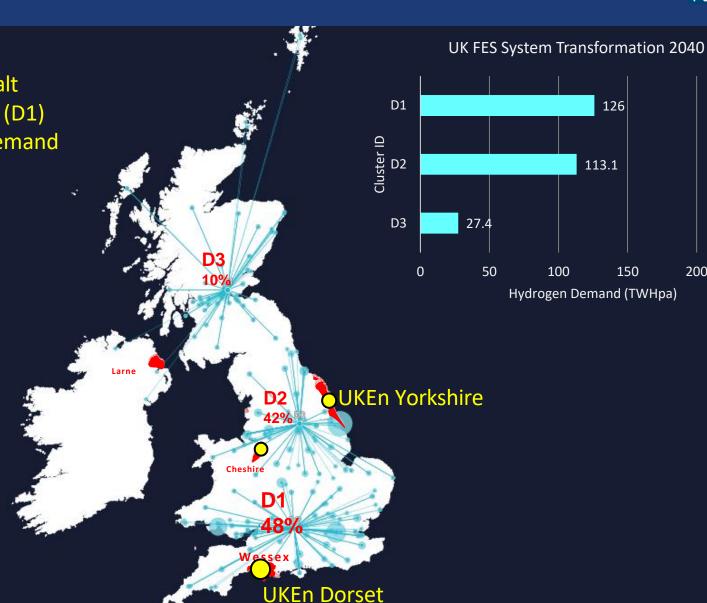
> Salt (halite) deposit with 100+m effective thickness

2040 H₂ demand centre

D2 Cluster ID/centre of gravity

Planned National Scale Hydrogen Storage

NB: Blue bubble size is relative to overall chart TWh magnitude,



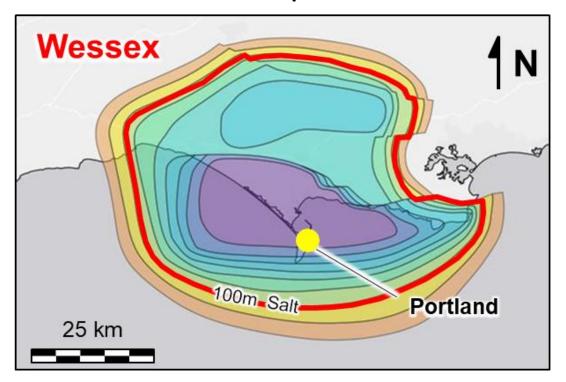
South Dorset Geology

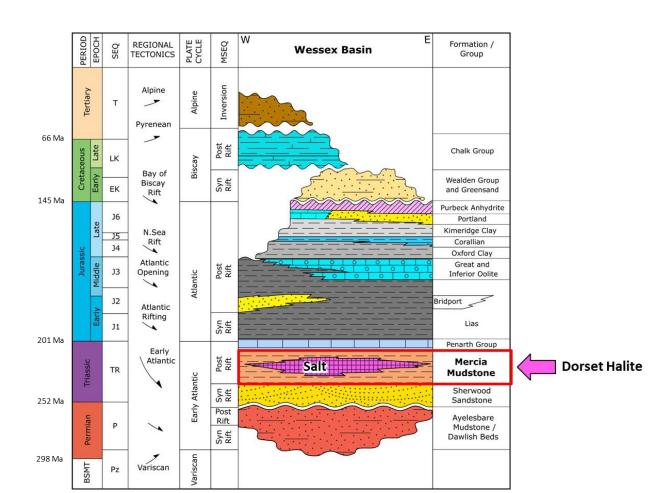


South Dorset Summary:

- Triassic age halite up to ~450m thick
- Contains a massive, clean Middle Salt unit, which reaches thicknesses of ~200m (suitable for salt caverns)
- Depth range ~500 to 2500 m

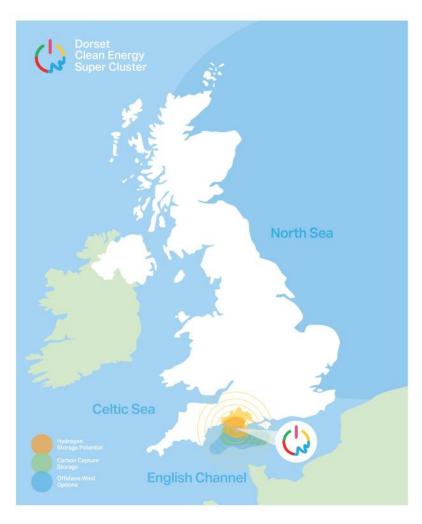
Dorset Halite Thickness Map.



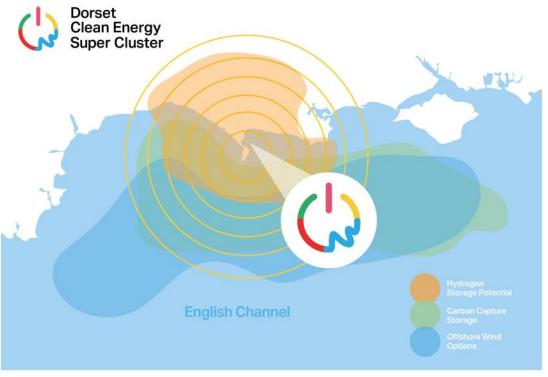


Dorset Clean Energy Super Cluster









Dorset Clean Energy Super Cluster





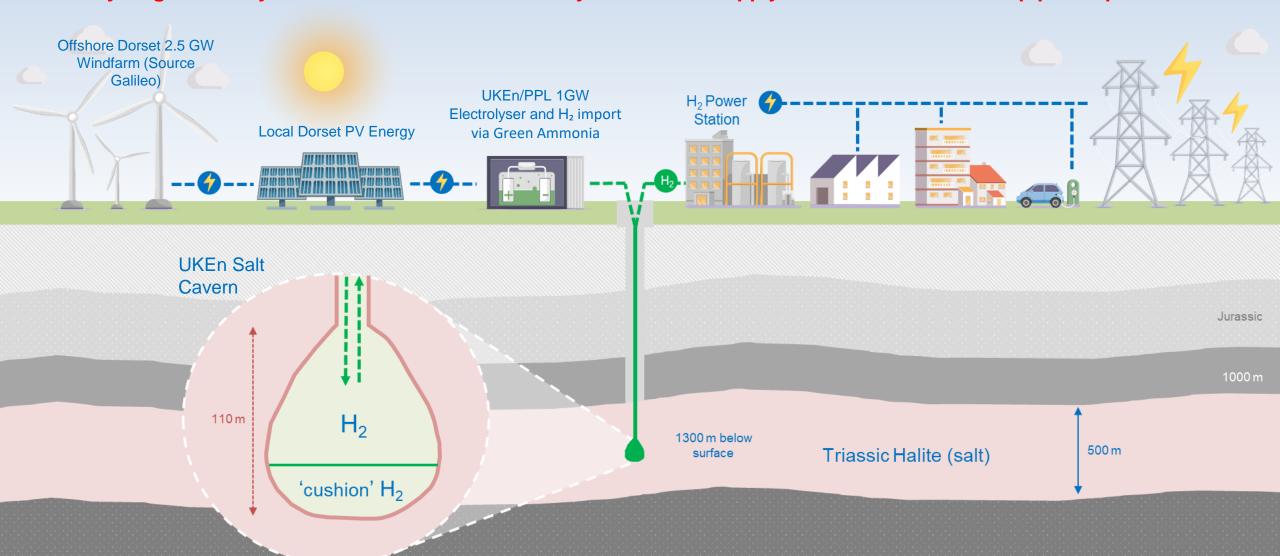
Introducing...

- Portwind: Source Galileo are proposing 2GW's of offshore wind (deep fixed) in the English Channel
- Hydrogen Import and Storage by UKEn: One billion m3 of hydrogen storage as alternative clean fuel
- Portland Port: A perfect location, a unique opportunity. Construction Headquarters, accommodation, transport services
- Channel Gateway: Proposed by Morwind, as a deepwater, offshore wind hub up to 60 ha to enable manufacturing, assembly and servicing of offshore wind sector in the English Channel
- Carbon Capture and Storage: Dorset can play its part in locking away a gigatonne of C02 to reduce pace of global warming
- New nuclear: SMR deployment at Dorset Innovation Park
- Related grid, battery storage improvements, electric infrastructure

~30TWh national H₂ storage, 1 GW green H₂ gen + NH₃ import

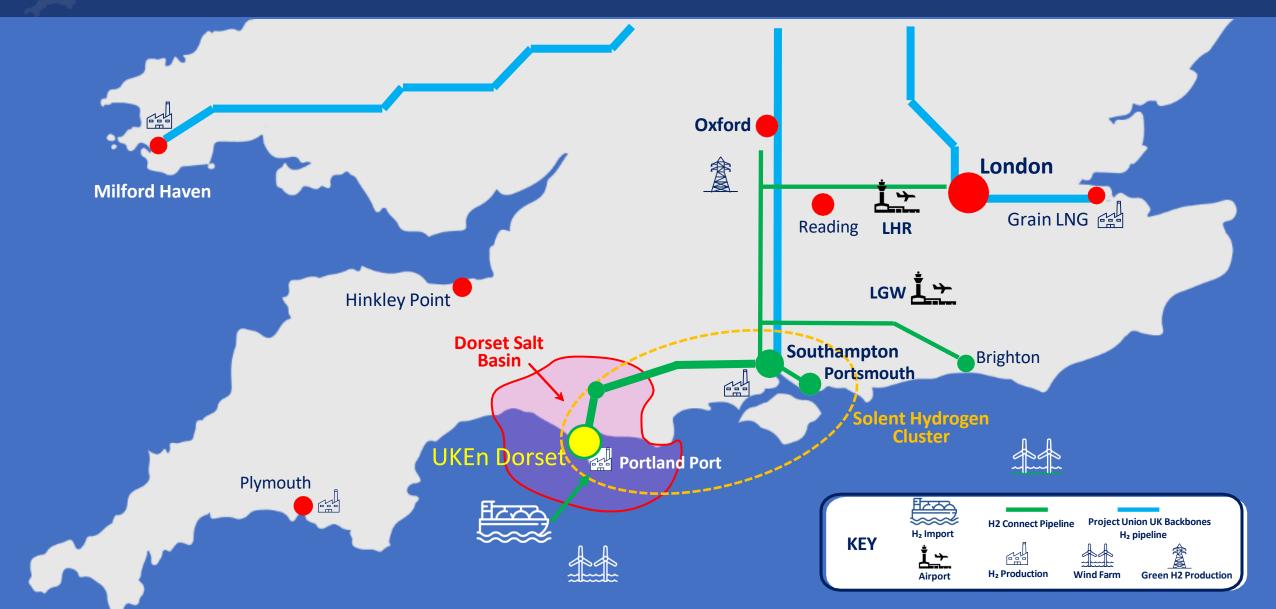


1. Hydrogen Battery: solve renewable intermittency 2. Balance supply & demand 3. Maintain pipeline pressure/fill



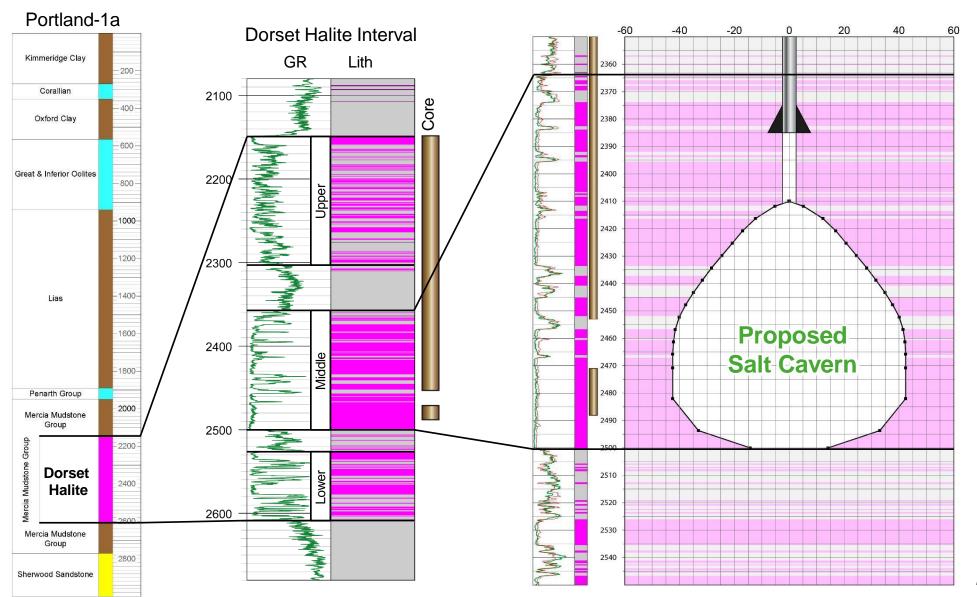
UKEn Dorset: A key element of S. UK H₂ infrastructure





Portland-1a borehole & cavern design



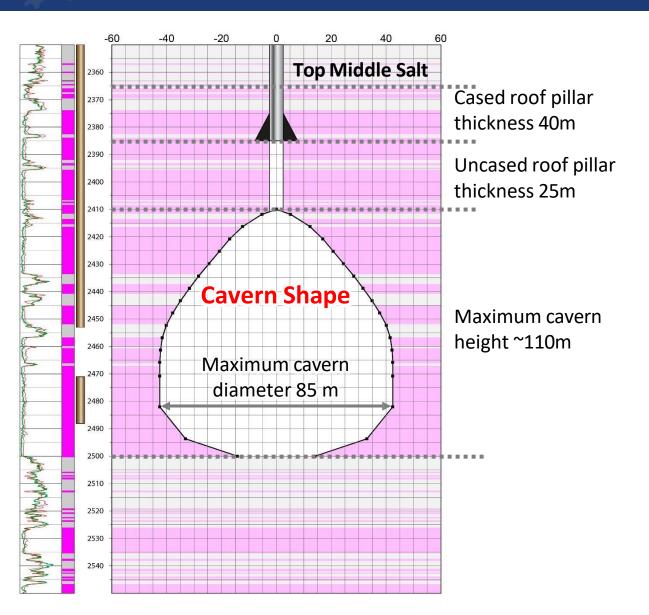


- Drilled in 2006
- High quality electric log data plus 326m of core through Dorset Halite Upper and Middle Salt
- Core and log data used to calibrate DEEP.KBB geotechnical cavern design
- Salt properties defined by core can be extrapolated to other areas in the basin via electric log correlation

Logs plotted in MD (m)

South Dorset Cavern Design





DEEP.KBB Design Summary:

- Top Middle Salt depth ~1300m below surface
- 40m cased roof pillar, to ensure sufficient cement beneath mudstone
- Minimum uncased roof pillar (open borehole cavern neck) length of 25m to protect casing from extensive viscous deformation during operation

Single Cavern:

- Useable cavern volume 332,000 m³
- Maximum operating pressure 240 bar
- Min operating pressure 69 bar
- Working Hydrogen Volume 42 million Sm3
- Working Natural Gas Volume: 56 million Sm3

UKEn South Dorset Hydrogen Storage Project



Project Overview:

- 24 caverns providing up to 1.01 billion standard m³ ("bcm") working hydrogen volume (90.8 ktonnes).
- A technical maximum annual storage capacity of 30.2 TWh.
- Operated via cushion gas (~31%) which is a proven technology.

	South Dorset Site
Approximate Cavern Depth (m)	1,330
Number of Caverns / Wells	24
Operational Mode	Cushion gas
Static Working Hydrogen Volume (bcm)	1.01
Static Working Hydrogen Volume (kg)*	~ 90,800,000
Static Working Hydrogen Volume (tonnes)	~ 90,800
Max Annual Cycling Capacity (TWh)	30.2
Max Cycles per year (~37 days)	~10
Estimated Project CAPEX (million)	~£800

South Dorset H₂ Storage Economic Benefits



Material Economic Benefits to UK and Dorset Economies

- £2.28 bn/year GVA during its 30-60 year operational life (Quod Economic Impact report)
- Job creation: up to 2,100 direct + 5,100 supply chain jobs, 135 permanent jobs in development operations

Significant National Scale Contribution to UK Energy Security

Store equivalent of 14-27 days of UK electricity supply (i.e.,~4-8% of 2023 annual electricity demand)

Key Enabler for UK Hydrogen System and Decarbonisation in UK & Southern England

- Critical for establishment of UK Backbone Hydrogen Pipeline into Southern UK
- Direct synergy/pipeline link with proposed 1GW green H₂ production at Portland Port
- Supports Key Industrial sector H₂ demand/decarbonisation:
 - Solent Cluster SAF production at Fawley to decarbonise LHR and LGW
 - Dispatchable electricity decarbonisation via "H2P" (e.g., Chickerell, Marchwood, Didcot et al)
 - Southampton and Portsmouth (IMO) 2030-50 maritime sector low carbon fuel targets.

Hydrogen Supply



Port Wind/Source Galileo ~ 2 GW offshore wind farm off the Dorset Coast. Commercial discussions ongoing for green hydrogen project.



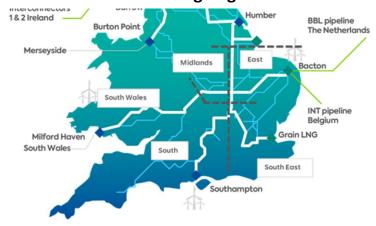
Close geographic proximity of UKEn's South Dorset storage site and PPL's deep-water port. Hydrogen or green ammonia import. **Commercial discussions ongoing/MOU announced.**



Hynamics' Fawley Green Hydrogen project. 120 MW electrolyser. Shortlisted for HAR2 by government. Fawley blue hydrogen production plan: 4.3 TWh of hydrogen annually.

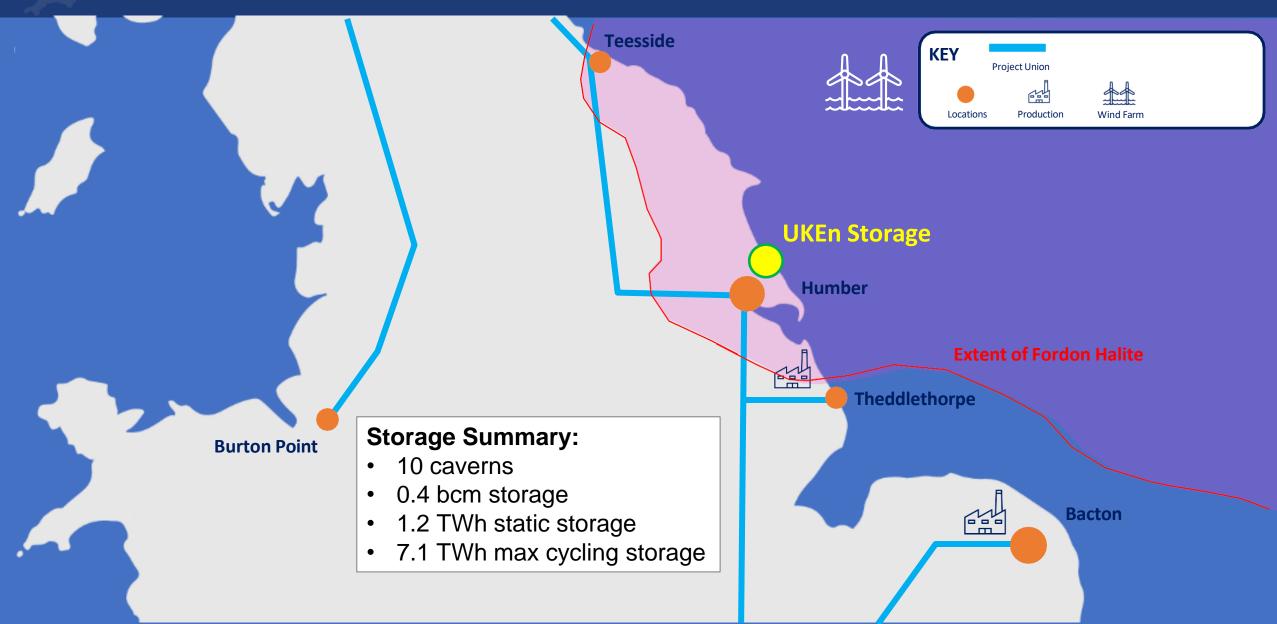


Project Union will develop a transmission network of 100% hydrogen pipelines in the UK. H2 Connect will develop similar pipelines in the south of England and integrate with Project Union. **Commercial discussions ongoing.**



UKEn Yorkshire Salt Cavern Site





Why UKEn favours new build salt caverns for hydrogen storage



- New build salt caverns are proven technology (TRK7-9) for hydrogen storage
- Cost effective construction specific for duty and purpose but transferable usage
- Modular build and easy to scale up with demand and hydrogen economy
- No risk to current security of supply by removing key UK gas storage assets
- Dorset is the only region that can support significant storage for future demand in UK south