

17 June 2021

i3 Energy plc

("i3", "i3 Energy", "i3 Canada", or the "Company")

Operational Update, Production Acquisition, Proposed Dividend and Corporate Presentation

i3 Energy plc (AIM:I3E) (TSX:ITE), an independent oil and gas company with assets and operations in the UK and Canada, is pleased to announce the following update.

Highlights:

- i3 has elected to drill two high-return wells in the Company's producing Wapiti area during July at a net cost of USD 2.1mm, equivalent to 1.3x next twelve months ("**NTM**") forecasted net operating income ("**NOI**" = revenue minus royalty, opex, transportation and processing costs).
- Executed Letter of Intent ("**LOI**") (expected to complete in Q2 2021) for a synergistic Cardium and Dunvegan focused production acquisition at Wapiti (currently producing 230 boepd) which, if it was to complete, could deliver NTM production of c.310 boepd after i3 performs six reactivations at a total acquisition and capital cost of approximately USD 410k, resulting in an effective acquisition multiple of 0.6x NTM NOI.
- Canadian acquisitions and drilling initiatives announced during H1 2021 (including the two above) are estimated to increase i3's NTM NOI to approximately USD 44mm, a 42% increase over the previous guidance which excluded these, and grow production towards 10,000 boe/d.
- A new corporate presentation is available on the Company's website which summarizes the net effect i3's 2021 acquisition and drilling initiatives on its Canadian business.
- On 11 June 2021 the High Court of England and Wales approved the draft order to effect i3's cancellation of its share premium account; a "final" confirmation hearing will be held on 29 June 2021 where the Company expects the High Court will confirm the cancellation can proceed, clearing the way for i3 to make dividend distributions to its shareholders.
- i3 is reclassifying the previously announced CAD 2mm dividend as a "special dividend" (versus associating it with Q1 2021 cash flow); the Company expects to pay this special dividend upon completion of the abovementioned court proceedings, followed by a payment of up to 30% of total H1 2021 free cash flow ("**FCF**") alongside the release of its Half-yearly Interim Report in September 2021.
- If the Company receives a favourable outcome at the above-referenced 29 June 2021 confirmation hearing, i3 expects to set the special dividend's ex-dividend date for 8 July 2021, with the payment being made in late July. A further announcement will be made once precise dates are known.

Majid Shafiq, CEO of i3 Energy plc, commented:

"i3 is continuing to deliver on its stated strategy of economics-driven buying or building, dependent on attainable metrics. To date in 2021, i3's WCSB initiatives are expected to materially increase both production and free cash flow, which is expected to directly translate into healthier cash distributions and a stronger balance sheet to pursue opportunities as they arise.

"On our intention to become a dividend payer, the necessary share capital reduction is nearly behind us and we expect to commence returning value to our shareholders by way of a special dividend, with scheduled half-yearly dividend payments thereafter alongside our Interim and Annual Reports."

Wapiti Drilling and Production Acquisition

i3 Energy has elected to drill two wells with a partner at its Wapiti Elmworth acreage at a net cost of USD 2.1mm. Operations are expected to commence shortly and are anticipated to conclude in early Q3 2021. These oil-weighted wells are expected to initially increase i3's production by c.175 boe/d and are estimated to return the full investment in 1.3 years based on current commodity strip pricing. The Company has additionally entered a Letter of Intent

to acquire 230 boe/d of Wapiti production, a non-core asset to the seller, whereafter i3 intends to conduct six reactivations to bring NTM production to an estimated 310 boe/d at a total acquisition and capital cost of USD 410k. This production acquisition is expected to complete in Q2 2021.

Demonstrated Delivery & Updated Corporate Presentation

Since securing its foundational Canadian asset base in H2 2020 through the corporate and asset acquisitions of Toscana Energy Income Corporation and Gain Energy Ltd, respectively, the Company has been very active in the basin. i3 has announced numerous acquisition and drilling initiatives during 2021 but has excluded their effect on the Company's income forecasts in previous announcements. Including the Wapiti drilling and acquisition denoted above, i3's H1 2021 initiatives are expected to increase the Company's NTM NOI to an estimated USD 44mm, a 42% increase over the guidance announced on 5 May 2021, and are expected to see i3's production surpass 10,000 boepd in H2 of this year. Though i3 sees these additions as incremental, they are meaningful when taken together and place the Company in a stronger position to grow via organic development opportunities or through substantive transactions at such time as opportunities arise which meet i3's strict acquisition criteria. To date, i3 has been able to capture its entire Canadian portfolio at an average of 1.0x NTM NOI (from June 2021) and USD 4,557/boe/d. The directors believe these are exceptional metrics in the context of the market.

i3's acquisitions have garnered various Proven Undeveloped (PUD) and/or Proven plus Probable (2P) development opportunities. Though several highly prospective projects exist within its portfolio, the Company highlights the upside potential of its recently announced South Simonette Lower Montney acquisition from Anegada Oil Corporation, which shows a path to over 18,000 boe/d and USD 1B+ in NOI from that asset alone. With a 99% operated interest, i3's South Simonette acreage presents a company-making opportunity which can be unlocked through either farm-down or internal capital allocation. i3 has a number of similarly attractive and material development opportunities in its portfolio including its Clearwater position at Marten Creek and its Montney play in North Simonette, in addition to redevelopment options of mature production assets via secondary recovery and infill drilling.

An updated corporate presentation is now available on i3's website (www.i3.energy) which summarizes this position.

Maiden Dividend and Future Distributions

Having strategically acquired a large production package at the bottom of the market in 2020, the Company's assets have outperformed the directors' expectations. As a result, i3 is reclassifying its previously announced dividend of CAD 2mm (initially associated with Q1 2021 FCF) as a "special dividend" which will be paid if the court proceedings to cancel i3's share premium account are successful. The final confirmation hearing in the High Court of England and Wales is currently scheduled for 29 June 2021. Thereafter, scheduled half-yearly dividends will be paid alongside the Company's release of each of its Interim and Annual Reports, with the first half-yearly dividend payment expected to be made in September 2021 for up to 30% of i3's full H1 2021 FCF. Upon receipt of a favourable outcome at the 29 June 2021 confirmation hearing, i3 expects to set the special dividend's ex-dividend date for 8 July 2021, with the payment being made in late July.

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Qualified Person's Statement

In accordance with the AIM Note for Mining and Oil and Gas Companies, i3 discloses that Majid Shafiq is the qualified person who has reviewed the technical information contained in this document. He graduated with a Master's Degree in Petroleum Engineering from Heriot-Watt University in 1988 and is a member of the Society of Petroleum Engineers. Majid Shafiq consents to the inclusion of the information in the form and context in which it appears.

Enquiries:

i3 Energy plc

Majid Shafiq (CEO) / Graham Heath (CFO) c/o Camarco
Tel: +44 (0) 203 781 8331

WH Ireland Limited (Nomad and Joint Broker)

James Joyce, James Sinclair-Ford Tel: +44 (0) 207 220 1666

Canaccord Genuity Limited (Joint Broker)

Henry Fitzgerald- O'Connor, James Asensio Tel: +44 (0) 207 523 8000

Tennysen Securities (Joint Broker)

Tel: +44 (0) 207 186 9030

Peter Krens

Camarco

Owen Roberts, James Crothers, Violet Wilson Tel: +44 (0) 203 781 8331

Notes to Editors:

i3 Energy is an oil and gas Company with a low cost, diversified, growing production base in Canada's most prolific hydrocarbon region, the Western Canadian Sedimentary Basin and appraisal assets in the North Sea with significant upside.

The Company is well positioned to deliver future growth through the optimisation of its existing 100% owned asset base and the acquisition of long life, low decline conventional production assets.

i3 is dedicated to responsible corporate practices and the environment, and places high value on adhering to strong Environmental, Social and Governance ("ESG") practices. i3 is proud of its performance to date as a responsible steward of the environment, people, and capital management. The Company is committed to maintaining an ESG strategy, which has broader implications to long-term value creation, as these benefits extend beyond regulatory requirements.

i3 Energy is listed on the AIM market of the London Stock Exchange under the symbol I3E and on the Toronto Stock Exchange under the symbol ITE. For further information on i3 Energy please visit <https://i3.energy/>

The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014.

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