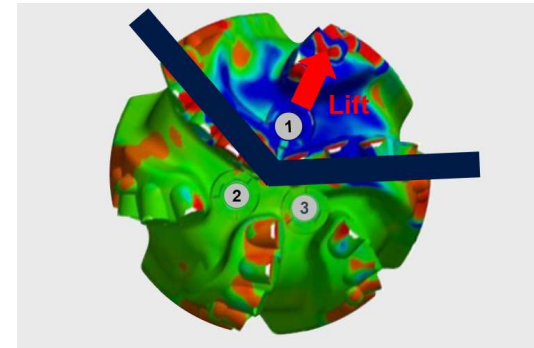


Interim results

6 months ended 30 September 2020

Energy Technology for Directional Drilling Services

- Enteq develops and markets specialist technology to enable efficient drilling of oil, gas & geothermal wells
- The technology, including Measurement While Drilling systems, utilise sophisticated sensors and instrumentation to gather data in the hostile down-hole environment
- Directional Drilling services market is @ \$10bn
- Current MWD equipment supply market is @ \$100m
- New product development enables steering 'At Bit' for efficient placement and drilling of wells
- Target New Technology (Rotary Steerable) market is @ \$2bn



Key highlights

- International revenue share of half year total increased to 74% (Sept 2019: 42%)
- Growth in revenue from China, new deployments in Middle East
- Challenging market conditions in North America
- Cash balance of \$8.8m
- Focused investment and value creation in innovative technology development
- Announcement of Board succession plan

<i>\$m</i>	Sept 20	Sept 19
Revenue:		
North America	0.7	4.2
International	1.9	2.3
Total	2.6	6.5
Adjusted EBITDA	0.1	1.5
Cash	8.8	10.7
Overheads	1.5	2.1

Enteq Upstream PLC Management

Board changes to take place on 1 April 2021



Andrew Law
Commercial Director to CEO

- Joined Enteq Upstream in Jan 2019 - Selected with succession in mind
- Successfully established market presence for Enteq outside USA
- Promoted to main Board position in September 2020
- Strong technical, operations, finance and strategic background
- Field Engineering at Schlumberger then International General Management with Weatherford



Martin Perry
CEO to Non Exec Chairman

- Step back from every day business to enable succession and scaling of management
- Will maintain strategic and advisory role
- Founder of Enteq Upstream in 2011
- Currently Non Executive Director of Read Cased Hole
- Previously CEO of Sondex plc, Chairman of Guralp Systems, Sensornet, Tendeka, Semafone



Neil Hartley
NED to Senior Independent Director

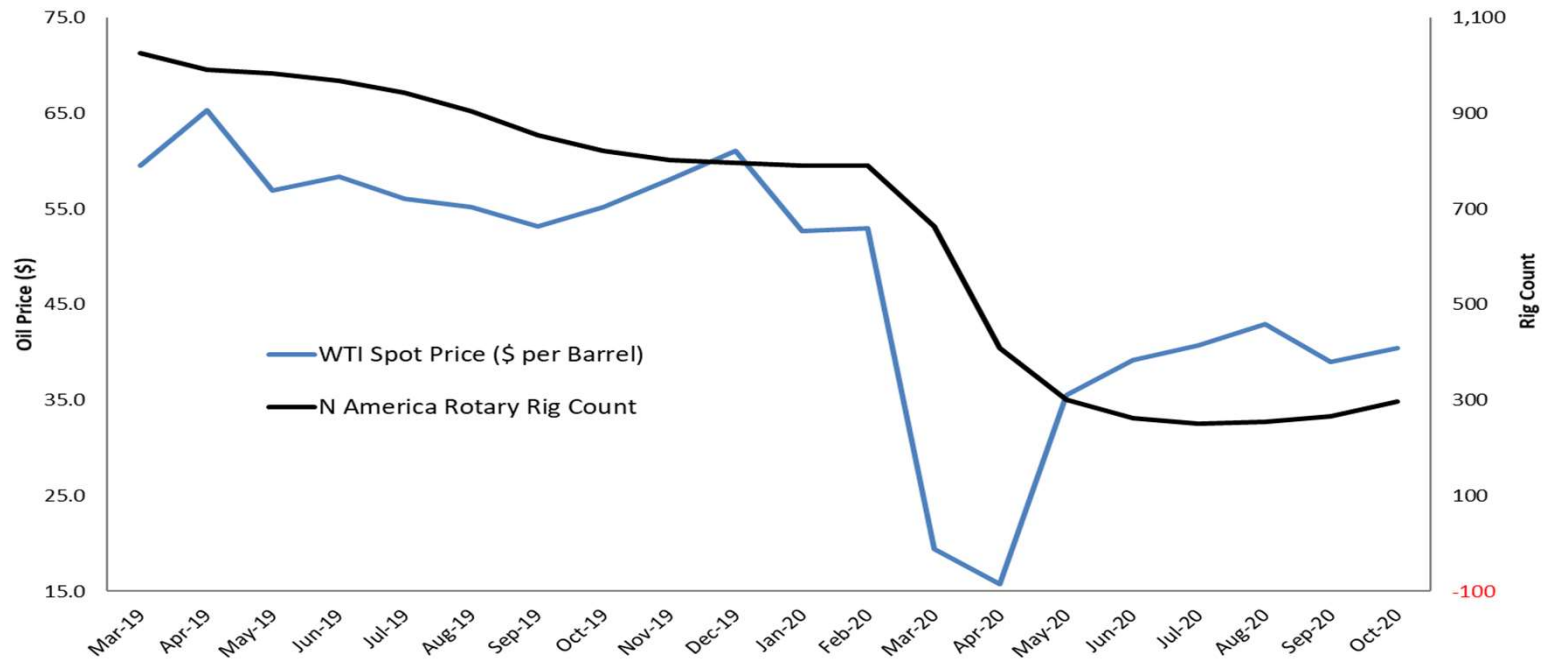
- Joined Enteq Board in April 2020. SID role will support CEO and Non Exec Chairman
- Industry background with Schlumberger & senior finance / advisory positions with McKinsey, Simmons and First Reserve Corporation
- Currently Partner at Buckthorn Partners LLP and NED at Telford Offshore and Renewi plc

Board Structure from 1 April 2021

		Board	Audit committee	Remuneration committee	Nomination committee
Martin Perry	Non-Exec Chairman	Chairman	Member	Member	Member
Neil Hartley	Senior Independent Non-Exec Director	Member	Chairman	Chairman	Member
Iain Paterson	Non-Exec Director	Member	Member	Member	Chairman
Andrew Law	Chief Executive Officer	Member	-	-	-
David Steel	Chief Financial Officer	Member	-	-	-

Market considerations

- Up to mid-March 2020 WTI oil price stable within \$50 - \$65 price range
- Dramatic reduction in oil price to \$16 by end April 2020 (now: approx. \$40)
- North America rig count now 270 (March 2020: 664 March 2019: 1,025)

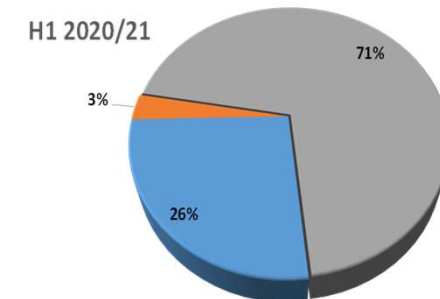
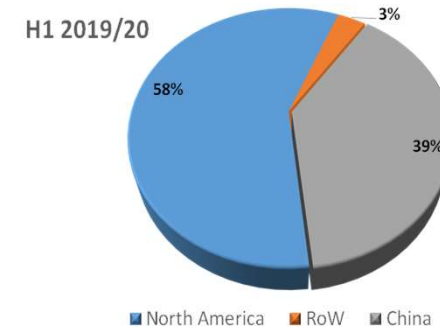


* As at 26 June 2020

- North American shale drilling market unlikely to rebound in short/medium term
 - Over capacity of equipment in the market
- Strategic drilling, for gas especially, still a major focus in China
- Capacity to replace non-economic U.S. oil needed in Middle East and Russia
- Changing market may favour local service providers (Enteq customers)
 - Drives demand to purchase / rent equipment
- Increasing requirement for efficiency in drilling and lower operating costs
- Maintaining production levels in the medium term will require more wells to be drilled

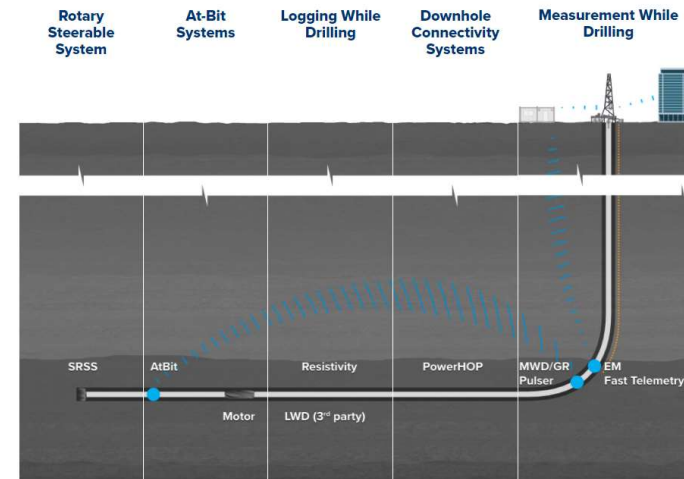
Enteq market position

- Continue to grow International revenue
 - Chinese market up to c.70% total revenue (FY 2019/2020 c.30%)
 - 2 new customers (\$1.3m) since 1 April
 - potential follow on orders from both
 - New partner in Saudi Arabia undergoing accreditation
 - Focus on sales for Saudi Aramco operations
 - Future demand from Russia
- Flexible business model for North America
 - Limited continuing rentals
- Opportunities for technology offering efficiency / lower cost drilling



- Geosteering

- Optimal placement of a wellbore based on the results of real-time downhole measurements rather than three-dimensional targets in space.
- Objective is to keep a directional wellbore within a hydrocarbon pay zone to maximize economic production from the well.
- Using geological information gathered close to the bit, while drilling coupled with information from directional sensors.
- Transmitting real-time data to surface (and office) to monitor and control rotary steerable tools.
- Requirement for real-time steering.



“Growing Demand for Precise Real-Time Information to Achieve Maximum Production”

Source: *The Insight Partners Analysis – report commissioned for Enteq, Sep 2020*

Global Geosteering Market

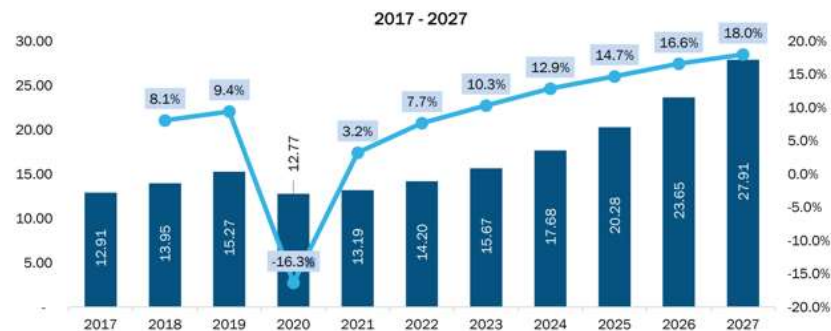
- The global geosteering market has been established and is forecast for continued growth
- Strong appetite for independent service companies to increase capabilities
- Increasing demand for digitization and technology improvement

Enteq Geosteering

- Continued evolution of Enteq’s core system
- Technology projects in development ideally suited for Geosteering market
- Opportunity to extend product (and service) offering to Enteq’s existing customer base and new
- Wide scope for Enteq to bolt-on additional technologies / services



Global Geosteering Technology Market – Revenue and Forecast to 2027 (US\$ Billion)



Source: The Insight Partners Analysis – report commissioned for Enteq, Sep 2020
 Note: Forecasts were made during Covid.

Technology Development : SRSS

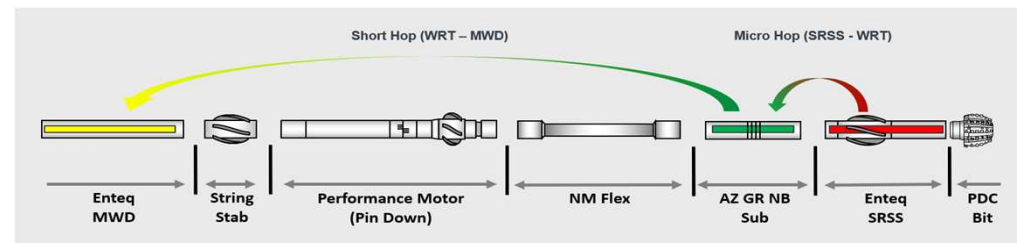
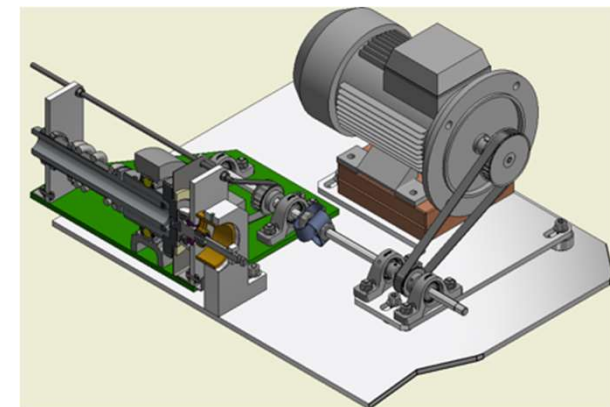
Improving efficiency and lowering costs for all drilling operations

- Exclusive license agreement completed with Shell in September 2019
- Rotary Steerable System with game-changing efficiencies for drilling industry
- Validation of concepts and re-engineering complete
- Prototype systems for engineering testing in Q1 2021
- Field testing targeted for Q2 2021

Project has progressed according to schedule

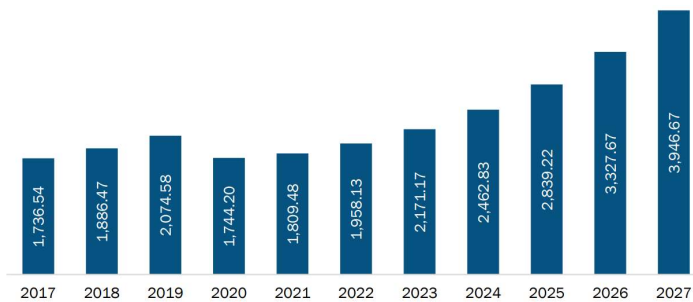
A viable alternative to the established RSS systems.

Enteq committed to on-going investment



- Current RSS market (2020) : \$1.7bn
 - Growth expectation : 12% CAGR

Rotary Steerable Systems – Revenue and Forecast to 2027 (US\$ Million)



Source: The Insight Partners Analysis – report commissioned for Enteq, Sep 2020
Note: Forecasts were made during Covid.

- Game changing potential for Enteq
 - Differentiated, simple, lower operating cost, higher efficiency
- Committed investment to March 2021 of \$1.7m (\$0.7m to Sep 2020)
- Further working capital for build of initial rental fleet
 - Enteq business model will be supported rental
 - Partnership with regional drilling service companies
- Commercial returns expected by 2022

Telemetry – ORKAN5 Project

Electrical



Static Discharge

Data Rate 40 – 160 bps

- Development project with BGR, Poland.
- Patent US 9,181,797 B2
- Initial Investment – EUR 175,000 for working prototype.

- Drilling efficiency is limited by availability of real time data from below ground
- Data transmission speeds are either very slow or VERY expensive
- ORKAN5 represents a revolutionary *new, fast, cost-effective* telemetry system.

- Uses controlled electrical discharges transmitted, via the drillpipe, to surface.
- Currently finishing ‘proof of concept’ development phase.
- Prototype field test system targeted for 2021.

Income statement

	Sept 20	Sept 19
	\$m	\$m
Revenue	2.6	6.5
Gross profit	1.6	3.6
Overheads	(1.5)	(2.1)
Adjusted EBITDA	0.1	1.5
Depreciation	(0.8)	(1.9)
Severance costs	(0.4)	-
Interest	0.1	0.1
Other (PSP credit/charge)	0.3	(0.2)
Loss before tax	(0.7)	(0.5)
Tax	-	-
Loss after tax	(0.7)	(0.5)
<i>Gross Margin</i>	60%	55%

Cashflow

	Sept 20	Sept 19
	\$m	\$m
Adjusted EBITDA	0.1	1.5
Change in net working capital	(0.5)	(1.5)
Operational cash generated	(0.4)	-
Rental fleet additions	(0.6)	(0.7)
R&D expenditure	(0.5)	(0.7)
Capex	-	(0.1)
Interest and other	0.1	0.3
Net cash movement	(1.4)	(1.2)
Opening cash	10.2	11.9
Closing cash	8.8	10.7

Net assets

	Sept 20	Sept 19
	\$m	\$m
Intangibles (R&D capitalised)	0.7	2.9 ^a
Land & buildings (Freehold of SHO)	2.3	2.3
Plant & equipment	0.1	0.2
Rental fleet	0.9	2.5 ^b
Trade & other receivables	1.6	2.3
Inventories held for resale	2.8	5.3 ^c
Trade & other payables	(1.3)	(2.3)
Cash	8.8	10.7
Net assets	15.9	23.9

a Major written off in H2 2019/20

b Reduction due to rental contracts coming to end of contract period

c \$2.7m revalued downwards in H2 2019/20 - no physical inventory scrapped

- USA land drilling unlikely to re-bound in near/medium term
 - Overcapacity in market
- International markets showing more opportunities
 - China
 - Middle East
 - Russia
- New technologies will give access to sizeable new market sectors
 - Value creation from new technologies as milestones are met
- Track record for prudent cash management
- New board structure
 - Drive Geosteering strategy
 - Explore incremental growth opportunities

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Date: November 2020