

Dash for gas as stranded Lincolnshire wells to be reconnected to the grid with monthly £7m revenues eyed

Final consents have been secured by Angus Energy to return isolated gas wells on the Lincolnshire coast back to production.

Bosses are eyeing up the high market price as an incentive to return to production as soon as possible, with the Russian invasion of Ukraine ramping up already elevated prices.

Saltfleetby Gas Field was first discovered in 1996, the largest such find onshore in the UK, producing from the Westphalian Sandstones and Namurian reservoirs.

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Just south of Grimsby, east of Louth, extraction began in 1999, using the nearby Theddlethorpe Gas Terminal for processing before being sent to the National Grid.

However, the closure of the site – primarily used for North Sea gas – when offshore fields were finally depleted, saw the “field stranded with nowhere to process the produced gas and no direct export route”.



The site in Saltfleetby that could generate gas revenues of £7 million a month very shortly.

(Image: Google Maps)

AIM-listed Angus bought a 51 per cent stake and took on operatorship in late 2019, joining Saltfleetby Energy (formerly Wingas) as a partner, and has now been granted planning permission by Lincolnshire County Council to reconfigure the site.

A significant investment will see processing facilities developed to ensure the gas is at the right pressure, temperature and specification to be sent to the National Grid.

A pipeline extension of 750m will also be required for direct connection to the transmission system, from the Saddleback Road site, known as well sire B.

In a project update earlier this month, George Lucan, Angus Energy CEO, said: "The focus is now on installation with the aim of having the site ready for commissioning during April and producing during May. The present gas price forward curve shows very high average prices of over 400 pence per therm for 2022.

“In fact, gross production, of which we have a 51 per cent share, solely from the existing wells and which is wholly unhedged for the month of June, is expected to yield 1.5 million therms or gross revenue of £7.2 million at today’s forward price for that month alone.

“Gross production solely from the side-track, should it be successful, is again wholly unhedged for the remainder of the year and is expected to yield a further 1.5 million therms each month of which Angus share is 51 per cent.

“The forward curve remains very high and seems likely to remain high this year and the company is more than anyone else acutely conscious of the need to preserve our timeline in order to provide value to shareholders whether through revenue sales or corporate action.”

It is at due diligence stage with a number of parties working towards a sale, having recently raised £1.4 million in a share issue to help pay for the infrastructure.

Angus also owns conventional oil production sites a Brockham, Surrey, and Lidsey, West Sussex, with a 25 per cent interest in nearby Balcombe.

[Theddlethorpe is being eyed as a carbon capture and storage terminal](#) now, under Harbour Energy’s V-Net Zero project, reversing flow from the South Humber Bank refining complex using new and existing infrastructure.