

7 March 2023

## AFENTRA PLC

### Update on the Angolan Acquisitions

Afentra plc ('Afentra' or the 'Company') provides the following update regarding the previously announced Angolan acquisitions.

#### INA Acquisition Completion Update

On 12 January 2023, the Company announced receipt of approval from the Ministry of Mineral Resources, Oil and Gas for the acquisition of a 4% interest in Block 3/05 and a 4% interest<sup>1</sup> in Block 3/05A offshore Angola from INA-Indstria Nafta d.d. ('INA') (the 'INA Acquisition'). We continue to work with INA to finalise formal completion of this acquisition, however due to documentation delays this process has taken longer than anticipated. Completion is still expected to occur ahead of the INA Acquisition SPA long stop date of 17 April 2023.

#### Sonangol Acquisition Update – Block 3/05 PSA Licence Extension and Block 23 Update

As per the SPA signed on 28 April 2022 between the Company's wholly-owned subsidiary, Afentra (Angola) Ltd and Sonangol Pesquisa e Producao S.A. ('Sonangol') regarding the purchase of non-operating interests in Block 3/05 (20%) and Block 23 (40%), offshore Angola (the 'Sonangol Acquisition'), an important condition precedent ('CP') is the approval of the extension of the Block 3/05 Production Sharing Agreement ('PSA') until at least 31 December 2040 (the 'License Extension'). The Block 3/05 JV partners have been negotiating the terms of the License Extension addendum and are now in final discussions with ANPG; we anticipate an agreement with improved fiscal terms.

It is now anticipated that satisfaction of the remaining CPs will occur after the current long stop date of 31 March 2023. We are therefore working, together with Sonangol, to extend the long stop date for the Sonangol Acquisition from 31 March 2023 to 30 June 2023 in order to facilitate completion.

The Company continues to benefit from accrued asset cash flow from the respective effective dates of each transaction, which will be offset against the initial consideration as set out in the respective sale and purchase agreements. In addition, we expect to accrue a significant crude inventory stock from the INA transaction due to the infrequent liftings for this interest. We have updated our estimated completion settlement estimate for the INA Acquisition in our latest corporate presentation, including the impact of accrued crude inventory. The presentation is available on our website (<https://afentrapl.com/investors/>)

Meanwhile, an Executive Decree dated 27 February 2023 has extended the Block 23 exploration block, located in the deepwater Kwanza Basin, through to 2 December 2026. This provides time for the new contractor group to discuss and agree a forward work programme.

#### Block 3/05 Operational Update

FY 2022 gross production from Block 3/05 averaged 18,660 bbl/d compared to 19,160 bbl/d for the first nine months of the calendar year. Production in Q4 2022 was impacted by planned restoration works to the power generation and distribution network, which were carried out to improve power supply efficiency across all facilities and, in turn, water injection uptime. This work has resulted in a significant increase in average water injection rates in the first months of 2023. This type of ongoing maintenance and infrastructure upgrade process is expected to continue into 2023 and will enhance future production and performance of the asset.

#### Board Appointment Update

The candidate identified for the planned Board position as independent Non-Executive Director and Audit Committee Chair is now unable to accept the appointment. As a result, the Board will relaunch its search process and expects to finalise this appointment later in the year.

The Company looks forward to providing shareholders with further updates in due course.

Commenting on the update, CEO Paul McDade said:

"While disappointing to experience delays, we remain very positive on the potential of these producing assets and our ability to grow our business in Angola. The update to the completion settlement estimate for the INA Acquisition, including the accrued crude inventory, speaks to the competitiveness with which we have been able to structure these deals. We have also used this time to better understand the assets and get to know the JV partnership, and the asset team responsible for the delivery of this asset. We are now close to agreeing terms on the licence extension award, a key CP towards completing the Sonangol Acquisition and a major step towards completion."

**For further information contact:**

**Afentra plc +44 (0)20 7405 4133**

Paul McDade, CEO

Anastasia Deulina, CFO

**Buchanan (Financial PR) +44 (0)20 7466 5000**

Ben Romney

Jon Krinks

energy@buchanan.uk.com

**Peel Hunt LLP (Nominated Advisor and Joint Broker) +44 (0)20 7418 8900**

Richard Crichton

Paul Gillam

David McKeown

**Tennyson Securities (Joint Broker) +44 (0)20 7186 9033**

Peter Krens

**About Afentra**

Afentra plc (AIM:AET) is an upstream oil and gas company focused on opportunities in Africa. The Company's purpose is to support a responsible energy transition in Africa by establishing itself as a credible partner for divesting IOCs and Host Governments. Afentra has a current carried interest in the Odewayne Block onshore southwestern Somaliland.

**Inside Information**

This announcement contains inside information for the purposes of article 7 of Regulation 2014/596/EU (which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018) ('UK MAR'). Upon publication of this announcement, this inside information (as defined in UK MAR) is now considered to be in the public domain. For the purposes of UK MAR, the person responsible for arranging for the release of this announcement on behalf of Afentra is Paul McDade, Chief Executive Officer.

<sup>1</sup> Subject to final approval of the distribution of the China Sonangol International ('CSI') interest to the remaining joint venture partners, Afentra's working interest in Block 3/05A would increase from 4% to 5.33%