



Afentra 

AFRICAN ENERGY TRANSITION

INA Completion Update
10 May 2023

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Angola Entry Following INA Deal Completion

INA completion

- Completed acquisition from INA of interests in Block 3/05 (4%) and Block 3/05A (4%)¹ on 5 May 2023
- Net completion payment of \$17.0m with inherited crude oil stock valued at \$16.6m²
- Escrow deposit of \$10.0m made to cover the Block 3/05 licence extension contingent payment
- Net upfront consideration and escrow deposit funded by \$18.9m from debt facilities and \$8.1m cash
- The Company expects to sell its first cargo of crude oil in Q3 2023

Block 3/05 PSA extension

- Block 3/05 partners and ANPG have now agreed the terms of the Block 3/05 licence extension
- Licence will be extended to December 2040³ with enhanced fiscal terms
- Government approval expected in June 2023

Sonangol Acquisition pending

- Agreement on licence extension allows Sonangol to pursue the requisite government approvals for transaction
- Completion expected ahead of 30 June 2023

Post-deal interests

| Block 3/05 | INA completion | Sonangol completion |
|----------------|----------------|---------------------|
| Sonangol | 50% | 30% |
| Afentra | 4% | 24% |
| Azule | 12% | 12% |
| Somuil | 10% | 10% |
| M&P | 20% | 20% |
| Naftagas | 4% | 4% |

| Block 3/05A ⁴ | INA completion | Sonangol completion |
|--------------------------|--------------------------|--------------------------|
| Sonangol | 33.33% | 33.33% |
| M&P | 26.67% | 26.67% |
| Azule | 16.00% | 16.00% |
| Somuil | 13.33% | 13.33% |
| Afentra | 5.33%¹ | 5.33%¹ |
| Naftagas | 5.33% | 5.33% |

¹ 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%

² Afentra share of stock-in-tank at 30 April 2023, valued at \$80/bbl on a pre-tax basis

³ Block 3/05 PSA extension from 1 July 2025 to 31 December 2040

⁴ Assumes that the default China Sonangol interests have been redistributed pro-rata amongst existing Partners (subject to final approval, as per footnote 1)

Financing INA Completion

Significant offset to completion costs with earned cash flow & stock at completion

INA Transaction

Block 3/05 (4%), Block 3/05A (4%)¹ – effective date 30 September 2021

| Completion Date – 5 May 2023 | \$ million |
|---|--------------------------|
| Upfront consideration | 12.0 |
| Working capital & interests ² | 4.8 |
| Contingent consideration due | 2.0 |
| Asset cashflow contribution ³ | (1.8) |
| Net completion payment to INA | 17.0 |
| License extension payment (paid into Escrow) | 10.0 |
| Stock entitlement at completion 207,868 bbls | ~16.6⁴ |

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

² Working capital adjustments and interest on consideration from effective date to completion date

³ Asset cashflow generation from effective date to completion, comprising crude oil sales less cash calls paid, excluding significant stock-in-tank inherited at completion

Transaction status & funding

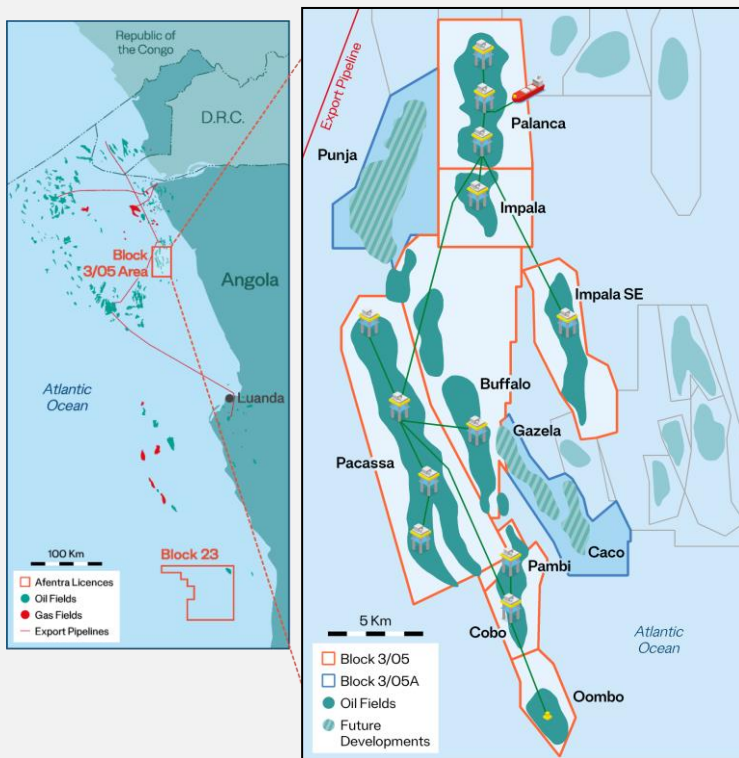
- **Transaction completion**
 - Government approval received in January 2023
 - Completion documentation finalised on 5 May 2023
- **Funding of \$27.0m net upfront consideration and escrow deposit**
 - \$18.9m debt facilities
 - \$8.1m cash
- **Further contingent payments**
 - Up to \$4m over 2 years subject to oil price hurdles⁵
 - Up to \$5m subject to Block 3/05A future developments⁶

⁴ Afentra share of stock-in-tank at 30 April 2023, valued at \$80/bbl on a pre-tax basis

⁵ Calculated as 30% share of revenue upside above Brent price of \$65/bbl with an annual cap of \$2m

⁶ Subject to development of existing discoveries and a minimum Brent price of \$65/bbl

Operational Update: Blocks 3/05 and 3/05A



Block 3/05 (Congo basin) – 24%¹

- Q1'23 production from Block 3/05 averaged 17,206 bbl/d
 - Rates impacted by downtime due to planned restoration works on power generation and distribution network
 - April 2023 production averaged ~19,000 bbl/d
 - Updated CPR completed with 1P/2P/3P reserves of 72/108/145 mmbbls (gross) at 1.1.23 effective date. 2C resources of 43 mmbbls.
- **Key 2023/2024 activities:**
 - Water injection rates increased to average ~45,000 bw/d in Q1 2023. Continued investment and focus.
 - Light well interventions ongoing with a further 30 interventions in next 18 months
 - Ongoing investment in infrastructure to enhance reliability and uptime
 - Building full understanding of emissions and potential mitigation options

Block 3/05A (Congo basin) – 4%^{2,3}

- Long-term testing commenced at the Gazela field of additional 1,100 bbl/d, enabling framing of potential development options
- Punja development concept meetings ongoing to frame opportunity

¹ Upon completion of the Sonangol transaction, Afentra's working interest in Block 3/05 increases from 4% to 24%

² 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%

³ Caco-Gazela & Punja resources not included in 2023 CPR

Transaction timing and next steps

Sonangol Transaction

April'22

- SPA signing announcement, shares continue to be suspended from trading

June'22

- Completion of due diligence and placement of 10% transaction deposit bank guarantee

Aug'22

- Publication of AIM Admission Document and resumption of trading
- General Meeting to approve the transaction

May'23

- Block 3/05 Licence Extension addendum (“Addendum”) terms agreed between JV partners and ANPG

Jun'23

- Ministerial approval process of Block 3/05 Addendum and Sonangol transaction underway
- Deal completion expected June 2023

INA Transaction

July'22

- SPA signing announcement, placement of 10% transaction deposit

Jan'23

- Ministerial approval of INA deal

May'23

- Deal completed on 5 May 2023



Sustainable change

**Uniquely positioned to capitalise on
the African Energy Transition**

1.

Significant hydrocarbon resource base in Africa with material M&A pipeline

2.

Gap in market for credible operators to facilitate safe and responsible transition

3.

Proven team with significant experience of working in Africa

4.

Committed to responsible stewardship and positive stakeholder outcomes

5.

African Energy Transition provides compelling investment opportunity