

9 November 2023

## **AFENTRA PLC**

### **Government Approval of Sonangol Acquisition**

Afentra plc ('Afentra' or the 'Company') (AIM: AET) the upstream oil and gas company focused on acquiring production and development assets in Africa, provides the following update regarding the previously announced Angolan acquisitions.

#### **Government Approval of Sonangol Acquisition**

Afentra is pleased to announce that it has received approval from the Government of Angola for the acquisition from Sonangol Pesquisa e Producao S.A. ('Sonangol') of a 14% non-operating interest in Block 3/05 and a 40% non-operating interest in Block 23, offshore Angola (the 'Sonangol Acquisition') pursuant to a sale and purchase agreement between Sonangol and Afentra's wholly-owned subsidiary, Afentra (Angola) Ltd, dated 20 April 2022, as amended and restated on 18 July 2023.

The Company is now working with Sonangol to finalise the formal completion of this acquisition which, as previously announced, is anticipated to occur within Q4 2023.

#### **Azule Acquisition update**

The Government approval process for Afentra to purchase further non-operated interests in Block 3/05 (12%) and Block 3/05A (16%), offshore Angola from Azule Energy Angola Production B.V. ('Azule') remains ongoing. We expect that this approval process and subsequent formal completion will take place in Q4 2023 as previously guided.

The completion of both the Sonangol and Azule acquisitions, combined with current interests, will result in Afentra having a 30% equity interest in Block 3/05 and a 21.33% in Block 3/05A providing Afentra with net working interest production of around 6,000 bopd.

#### **Approval of Block 3/05 PSA fiscal terms**

Following our announcement on 17 May 2023 of the publication of an Executive Decree formally approving the extension of the term of the Block 3/05 production sharing agreement ('PSA') to 31 December 2040, Afentra is pleased to announce that a subsequent Executive Decree has been published in the Diário da República on 4 October 2023 approving the revised fiscal terms that will apply to the PSA for the remainder of its term.

The revised fiscal terms will become effective from the execution of an addendum to the PSA by the Block 3/05 contractor group and Agência Nacional de Petróleo (ANPG), which is expected in December 2023. The improved fiscal terms will enhance the economics of the Block 3/05 PSA as set out in an independent report produced for the Company by ERCE Equipose Limited. This report indicates the Entitlement reserves and NPV10 associated with the 30% equity in Block 3/05 increase to 22.8 mmbo and US\$ 254.9 million respectively. The full report will be uploaded to Afentra's website in due course.

#### **CSI Update**

Further to the disclosure in the Company's Admission document published on 18 September 2023, The redistribution of the interests of China Sonangol International in Block 3/05A has been formally approved by the Government of Angola. On completion of the redistribution, it will result in Afentra's current interest in Block 3/05A increasing from 4% to 5.33%; this interest will increase to 21.33% upon the completion of the Azule acquisition.

We look forward to providing shareholders with further updates in due course.

#### **Commenting on the update, CEO Paul McDade said:**

"The receipt of the Government of Angola approval of the Sonangol Acquisition is a key step in the acquisition process and we continue to look forward to completing both the Sonangol and Azule acquisitions before year end. The combination of these interests with our current interests in Block 3/05 and 3/05A will provide Afentra with a material equity position in this world class production asset. The approval of the new fiscal terms and the redistribution of the CSI interests further enhances the value of these acquisitions and also demonstrates the Government of Angola's commitment to providing an attractive and stable fiscal environment that encourages further investment in its oil & gas industry.

We continue to work with the operator Sonangol and our joint venture partners to ensure that we maximise the production, reserves and value of this quality long life asset for the benefit of all stakeholders whilst also reducing the emissions profile."

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**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 4% non-operated interests in the producing Block 3/05 and adjacent development Block 3/05A offshore Angola in the Lower Congo Basin. 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.