

8 December 2023

## AFENTRA PLC

### Completion of Sonangol Acquisition and Publication of Supplementary Admission Document

Afentra plc ('Afentra' or the 'Company') is pleased to announce the successful completion of the previously announced acquisition of interests in Block 3/05 and Block 23 from Sonangol, together with the publication of an AIM supplementary admission document (the "Supplementary Admission Document") and the proposed re-admission of the Company's Ordinary Shares to trading on AIM ("Admission").

#### Completion of Sonangol Acquisition

Afentra is pleased to announce completion of the acquisition 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.

- Acquisition increases Afentra's interest in Block 3/05 to 18% (following its previous acquisition from INA), this will increase to 30% upon completion of the ongoing Azule acquisition.
- Payable cash consideration at completion of \$21.1million. Initial cash consideration of \$56.5m reduced by impact of cash flow adjustments as of the transaction effective date of 20 April 2022
- Company inherits crude oil stock with an approximate value of \$11.9 million at \$75/bbl (158,691 bbls)<sup>1</sup>
- Acquisition of a 40% non-operated interest in Block 23 for \$0.5m, providing long-term upside potential
- Operational performance continues to improve with Block 3/05 gross production of around 20,560 bbl/d
- End 2023 financial position:
  - Net debt is expected to be around \$20.7m
  - Crude oil stock of around 300,000 bbls (value of \$22.5m at \$75/bbl)

The Company is also pleased to announce the publication of the Supplementary Admission Document in relation to the Sonangol Acquisition. Shareholders are encouraged to read the Supplementary Admission Document in full.

The Sonangol Acquisition constitutes a reverse takeover under the AIM Rules. Application has been made for 220,053,520 Ordinary Shares to be re-admitted to trading on AIM at 8.00 a.m. (GMT) this morning.

#### Azule Acquisition

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') is ongoing with the acquisition now expected to complete later in 1Q 2024.

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

#### Fiscal Terms and CSI equity redistribution Update

We are pleased to confirm that the execution of the addendum to the PSA has now been signed and the improved fiscal terms are now effective thereby having a positive impact on the cashflow associated with the Block 3/05 asset.

The Government of Angola has completed its process to terminate and redistribute the CSI interests thereby increasing Afentra's current interest in Block 3/05A from 4% to 5.33%; this interest will further increase to 21.33% upon completion of the Azule acquisition.

#### Operations Update

Gross production from Block 3/05 has averaged 20,560 bopd in November 2023, with annual gross production for 2023 forecast to be around 19,100 bopd. In addition, production from Block 3/05A continues at around 1,300 bopd from the well Gaz-101. These strong and increasing levels of production demonstrate the benefit of continued restoration works over the course of the year in addition to the well intervention activities underway in Block 3/05.

Moreover, production uptime improved quarter-on-quarter, from 77% in 1Q 2023 to 87% in 3Q 2023. Water injection has averaged approx. 33,000 bbl/d for the year to date, a material increase on 2022. The continued light well intervention (LWI) programme to date has focused mainly on re-perforation and stimulation operations across the Block 3/05 fields, further LWI operations also focused on improvements in gas lift are planned before the end of the year. In Block 3/05A,

at the Gazela field, long term testing continues at approx. 1,300 bbl/d, enabling framing of potential low cost development options. Future planned activities on Block 3/05 will consist of an additional phase of light well interventions, the installation of ESP's on a sample set of production wells and infill wells. A gas management workstream commenced in 1H 2023 to examine a holistic solution for gas which could enable a material reduction of emissions in the medium to long term.

We have uploaded a short presentation to the Afentra website: <https://afentraplc.com/wp-content/uploads/2023/12/AET-Sonangol-Completion-081223.pdf>

The Supplementary Admission Document is available to download from the Company's website:

<https://afentraplc.com/investors/>

### **Total number of voting rights**

At Admission, the total number of Ordinary Shares in issue will be 220,053,520. The Company does not hold any shares in treasury, and therefore at Admission the total number of voting rights in the Company will be 220,053,520. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

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

"Completion of the Sonangol Acquisition is a major milestone for Afentra that reflects the efforts on all sides to get this transformative transaction completed. The effective date of the agreement ensures Afentra has benefitted from 18 months of net interest cash flow from the quality 3/05 asset which significantly reduces the cash payment at completion. I would like to thank Sonangol and ANPG for their pragmatism and support through the prolonged process and we look forward to working alongside them and our JV partners as we seek to maximise the value of the portfolio for the benefit of all stakeholders over the long-term.

Completion of the Azure transaction will give Afentra more materiality through greater exposure to the cash flow and upside from these assets, and while the completion timing is expected in 1Q 2024, the Company continues to benefit from the cash flow from the 1 October 2022 effective date.

The Block 3/05 asset continues to perform strongly following successful implementation of the initial work programme designed to optimise production, with field production at the top end of internal 2023 production estimates. We look forward to continuing to contribute Afentra's technical insights and value to the partnership in parallel with showing our strong investment proposition to the market."

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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 an 18% non-operated interest in the producing Block 3/05 and 5.33% interest in an adjacent development Block 3/05A offshore Angola in the Lower Congo Basin. Afentra has a 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> as at 30 November 2023.