

24 January 2024

AFENTRA PLC

Operations and Financial Update

Afentra plc ('Afentra' or the 'Company'), the upstream oil and gas company focused on acquiring mature production and development assets in Africa, provides an operational and financial update for 2023. Afentra currently holds non-operated 18% and 5.33% working interests in Blocks 3/05 and 3/05A, respectively, offshore Angola with working interests to increase to 30% and 21.33%, respectively, following completion of the impending Azure transaction.

Operational Highlights

- 2023 average gross production for Block 3/05 and 3/05A was 20,180 bopd
- Strong operational performance and successful well interventions have positively impacted performance with gross production of over 22,000 bopd in December 2023
- Drone survey completed as part of a holistic gas management program to identify, measure and reduce GHG emissions
- 30 successful well interventions were completed in 2023, a similar number of interventions are planned for 2024
- Water injection performance improved throughout the year with ~42,000 bwipd¹ being achieved in December, further work planned for 2024 is expected to significantly increase water injection rates
- Production was restored at the Gazela field on Block 3/05A in March and averaged 970 bopd, gross, through 2023
- Progressed the review of future investment options to unlock the significant resource base including installation of ESPs, heavy workovers, infill drilling and development of Block 3/05A discoveries.

Financial Highlights

- Cash resources at year end 2023 of \$19.6 million, which includes restricted funds of \$4.9 million ²
- Debt drawdown on Reserve Based Lending Facility of \$33.6 million resulting in year end net debt of \$14.0 million
- Block 3/05 license extension and fiscal terms improvements approved by government enhancing economics and supporting future investment programs
- Company sold its first cargo in August 2023, 300,000 bbls of crude oil at sales price of \$88/bbl, generating pre-tax sales of \$26.4 million
- Crude oil stock as at year end 2023 of approx. 300,000 bbls, which with subsequent production supports crude oil lifting of ~450,000 bbls planned for late February
- Afentra has proactively hedged 70% of its February cargo, this provides floor of \$70/bbl and full exposure to the crude oil price upside
- Asset level cashflow generation related to 30% equity in 2023 was \$67.4 million at an average weighted sales price of \$90/bbl.

Azure Acquisition

- The Government approval process is ongoing with the acquisition expected to complete later in Q1 2024
- The transaction has an effective date of 31 October 2022 with accrued net revenue being reflected in final payment on completion

Paul McDade, Chief Executive Officer, Afentra plc commented: "2023 was a transformational year for Afentra with the completion of acquisitions from both INA and Sonangol of non-operating interests in Blocks 3/05, 3/05A and Block 23. Afentra identified these as assets with very significant upside potential and targeted acquiring a material ownership in the production licenses. In 2023 we made substantial progress towards that strategic goal and the asset partnership has been able to demonstrate the clear potential upside in the assets as the work programme designed to optimise production is accelerated. The strong operational performance and well intervention program in 2023 allowed us to increase gross production to 22,000 bopd by year end. In 2024 the operational activities and planning for future work programs will build on this early success and lay the foundations for continued production growth for many years ahead. The license extension to 2040, together with the revised fiscal terms, will enable the unlocking of further significant resources whilst reducing the emissions profile.

The Company has achieved these successes whilst maintaining a robust financial position, at year end we had net debt of \$14 million with an oil stock of ~300,000 bbls, despite executing these transformative transactions without

the need to issue new equity. Our first successful sale of crude in August 2023 will be followed by a further sale of crude, approx. 450,000 bbls, planned for late February 2024. This sale will further strengthen our financial position ahead of the completion of the Azure transaction.

We look forward to the completion of the Azure acquisition in the coming months, and to another strong year of operational delivery in Blocks 3/05 and 3/05A as these assets underpin our more ambitious growth strategy in Angola and other target markets in Africa."

Operations Summary

Block 3/05 (18%)³: Two successful light well intervention campaigns ('LWI') were carried out in 2023 involving 30 wells. This involved successfully re-entering wells to carry out matrix and tubing washes, perform water shut offs and re-perforations. These delivered incremental production leading to average monthly gross production increasing to over 22,000 bopd in December and have demonstrated the benefits of low cost well interventions. Investment in water injection upgrades have doubled injection rates since 2022 with December rates reaching 42,000 bwipd and further significant improvements expected in 2024. The improved water injection is expected to positively impact oil production in the medium term as reservoir pressure increases. A drone survey to identify fugitive emissions and assist in quantifying flaring was carried out in November to better understand the emissions profile of the asset. This forms part of a holistic gas management program to identify, measure and reduce GHG emissions.

A full CPR was completed as part of the re-admission of the enlarged group to trading on AIM with an effective date of 1 July 2023 and published in the Company's admission document. Based on this report reserves replacement in the first half of 2023 has been in excess of 150%.

Block 3/05A (5.33%)³ production was restored at the Gazela field in March with the Gaz-101 well averaging 970 bopd, gross, through 2023. This extended production test will help to establish the long-term resource potential and appropriate development strategy. Development concepts for the Caco-Gazela and Punja discoveries were progressed with a focus on balancing near term production growth, phasing of investment, alongside maximising value.

2024 & future operations The license extension to 2040 and revised fiscal terms have improved the attractiveness of the planned further investment which will unlock the significant remaining resource base. In 2024 an additional LWI campaign will be carried out with over 30 activities planned across both blocks. Water injection capacity is expected to steadily increase through 2024 with a target to double the 2023 average injection rate. A comprehensive shutdown is planned for Q3 2024, this will include power and water system upgrades, platform maintenance and re-certification of the Palanca FSO through to 2029. The installation of new gas flare meters during the shut down will enable an accurate baseline emission profile to be generated. With these plans and the 2023 drone survey and Q1 2024 methane Infra Red study of the asset, the joint venture partnership is beginning to deliver on and develop the future gas management workstream.

Planning is continuing on the selection of the initial phase for ESP installation, heavy workovers and selection of B3/05 & B3/05A infill wells. Drilling candidates include the undeveloped Bufalo Nord field, Gazela discovery and a near field exploration well at Pacassa South West. A decision on these investments will occur in 2024 enabling the purchase of Long Lead Items (LLI) for delivery of the programs in 2026. In Block 3/05A the extended production test on Gaz-101 will continue, enabling further definition of the development concept for the Caco-Gazela discovery. A sea bed survey will be acquired over the Punja discovery to enable planning for a future gas pipeline as part of a potential zero-flaring well head platform development concept.

Angolan Onshore Bid Round: Afentra submitted bids for Blocks KON15 (1,000 Sqkm) and KON19 (900 Sqkm) located in the Kwanza onshore Basin as a non-operating partner and has been informed that it has been selected as preferred bidder for a non-operated 45% equity in both blocks.

Odewayne block: offshore Somaliland (34% interest fully carried by operator, Genel Energy), the operator and Afentra completed updated petroleum systems and satellite seep studies with borehole planning in progress.

Financial Summary

During the course of 2023 Afentra has successfully utilized the first two tranches of the RBL Facility to complete the acquisitions of INA's and Sonangol's interests. Afentra finished 2023 in a strong financial position with a net debt position of \$14 million post completion of both acquisitions. Cash reserves at year end were \$19.6 million with

\$33.6 million drawn on the RBL Facility. During the year Afentra made drawdowns on the Working Capital Facility which has been repaid in full post the August cargo lifting. As at year end 2023 the WC Facility had full availability of up to \$30 million.

The asset generated cashflow of \$67.4m based on lifting revenues less cash calls and Petroleum Income Tax paid. This asset cashflow contributed to the reductions in the final completion payments for both the INA and Sonangol transactions and will also contribute towards the Azule transaction completion adjustments.

Afentra sold its first cargo of 300,000 bbl in August at an average price of \$88/Bbl and since that time had accumulated a further stock position at year end of approximately 300,000 bbl comprised of entitlement production related to INA and Sonangol purchased working interests. With the accumulated stock position and further production over the course of January and February 2024 Afentra has scheduled its first 2024 lifting of approximately 450,000 bbl for late February 2024. With the planned lifting in February, and in light of the recent volatility in oil prices Afentra has proactively hedged 70% of the scheduled February cargo, providing downside protection below \$70/bbl and leaving Afentra with full exposure to the crude oil price upside.

The Company intends to fund the anticipated completion of the Azule transaction in Q1 2024 largely via a drawdown on the existing RBL Facility, supplemented by the WC Facility and cash resources, as required. The final capital structure for the combined Angolan acquisitions will be optimised at completion of the Azule transaction. Afentra will provide a further financial update at the time of Azule completion estimated to take place in late Q1 2024.

As previously communicated, both INA and Sonangol acquisitions have contingent structures with contingent payments subject to oil price and production hurdles. Each of the contingent payments is tested at year end against the agreed thresholds. The Company expects to pay a total of \$4.6 million in crystallised contingent payments (related to 2023) to Sonangol and INA during Q1 2024.

As previously reported approval was given for the extension of the Block 3/05 License to 2040 along with improved fiscal terms and the redistribution of the China Sonangol International's interests, thereby increasing Afentra's interest in Block 3/05A from 4% to 5.33%; this interest will further increase to 21.33% upon completion of the Azule acquisition.

Investor Presentation

Afentra's management team intends to host an investor presentation via the Investor Meet Company platform in late Q1, with a date to be set in due course. During the presentation the management will provide more detail on the operational programme and objectives for the current fiscal year.

¹ Barrels of water injected per day

² Restricted cash relates to the \$4.9m deposit held in Escrow associated with Azule transaction.

³ Afentra's interest in Blocks 3/05 and 3/05A will increase from 18% to 30% and 5.33% to 21.33%, respectively, upon completion of the Azule acquisition.

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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.