



Afentra 

AFRICAN ENERGY TRANSITION

Azule Completion Update
23 May 2024

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Deal Completion Update

Azule completion

- Acquisition from Azule of interests in Block 3/05 (12%) and Block 3/05A (16%) was approved by the Angolan government on 25 April 2024
- Net completion payment of **\$28.43m** with inherited crude oil stock valued at **~\$36.0m¹**
- Post Azule completion, total RBL drawn is \$47.3m, total working capital facility drawn is \$13.7m, with a cash balance of \$14.8m, with resulting net debt of **~\$46.2m**
- Post Azule completion the company has stock of **~840,000 bbls** (\$63.0m) and expects to sell its next cargo of crude oil (**~450,000 bbls**) in June 2024

Combined Angola acquisitions

- Increases Afentra interests to 30% in Block 3/05 and 21.33% in Block 3/05A
- Net production **~6,800;²**
- Net 2P reserves **~32 mmbbls**; net 2C resources **~20 mmbbls³**

¹ Afentra inherited entitlement stock-in-tank from Azule as of 31 May 2024 (480,000 bbls), valued at \$75/bbl, prior to Petroleum Income Tax (PIT) of ~6% effective rate.

² Production figure is 2024 net production to end April.

³ Based on the Competent Persons Report on Block 3/05 effective 30th June 2023 with production to end 2023 subtracted, estimating 2P reserves of 108 mmbbls (gross) and 2C resources of 43 mmbbls (gross). Block 3/05A 2C resources are based on an Afentra resource estimate of 33 mmbbls (gross).

Block 3/05	Post completion interests		
	INA deal	Sonangol deal	Azule deal
Sonangol (op.)	50%	36%	36%
Afentra	4% →	18% →	30%
Maurel & Prom	20%	20%	20%
etu energias	10%	10%	10%
NIS Naftagas	4%	4%	4%
Azule Energy	12%	12%	0%

Block 3/05A	Post completion interests		
	INA deal	Sonangol deal	Azule deal
Sonangol (op.)	33.33%	33.33%	33.33%
Maurel & Prom	26.67%	26.67%	26.67%
Afentra	5.33% →	5.33% →	21.33%
etu energias	13.33%	13.33%	13.33%
NIS Naftagas	5.33%	5.33%	5.33%
Azule Energy	16.00%	16.00%	--

Financing Azule Deal Completion

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

Azule Transaction

Block 3/05 (12%), Block 3/05A (16%) – effective date 01 October 2022

Completion Date – 22 May 2024	\$ million
Upfront consideration	48.5
Working capital & interests ¹	(5.5)
2023 Contingent consideration due	1.2
Asset cashflow contribution ²	(15.8)
Net completion payment to Azule	28.4
Stock entitlement at completion 480,000 bbls	~36.0³

¹ Working capital adjustments and interests from effective date to completion date.

² Asset cashflow generation from effective date to completion, comprising crude oil sales less cash calls and PIT paid.

Transaction status & funding

- **Transaction completion**
 - Government approval received on 25 April 2024
 - Completion documentation finalised on 22 May 2024
- **Funding of \$28.4m net completion payment**
 - \$4.85m escrow deposit
 - \$17.0m RBL drawdown
 - \$6.55m from available cash resources
- **Further contingent payments**
 - Block 3/05 - Up to \$14m over 2024 and 2025, minimum price threshold of \$75/bbl with a maximum annual payout of \$7m achieved at \$121.7/bbl⁴
 - Block 3/05A - up to \$15m in contingent consideration linked to the successful future development of the Caco-Gazela and Punja discoveries⁵

³ Afentra share of stock-in-tank at 31 May 2024, valued at \$75/bbl on a pre-tax basis.

⁴ Payable as \$0.15m per incremental unit of Brent between \$75/bbl and \$121.7/bbl

⁵ Payable 1 year after first oil subject to a Brent price of \$75/bbl and production hurdles.

Summary of Angolan Acquisitions

Transaction Timeline (Effective Date)	INA (Sep-21)	Sonangol (Apr-22)	AZULE ENERGY (Oct-22)	Aggregate
Upfront Consideration	\$12.0m	\$56.5m	\$48.5m	\$117.0m
Adjustments ¹	\$16.8m	-	(\$4.3m)	\$12.5m
Asset Cashflow Contribution ²	(\$1.8m)	(\$35.4m)	(\$15.8m)	(\$53.0m)
Net Completion Payment	\$27.0m	\$21.1m	\$28.4m	\$76.5m
Stock Entitlement (bbbs)	207,868	158,691	480,000	846,559
Stock Value Inherited @ Completion ³	~\$18.3m	~\$13.5m	~\$36.0m	~\$67.8m

Further contingent payments

- **INA Transaction**
 - Block 3/05 - up to \$2m subject to oil price hurdles⁴
 - Block 3/05A up to \$5m subject to future developments⁵
- **Sonangol Transaction**
 - Up to \$31.5m over 9 years, paid as \$3.5m per annum, subject to oil price and production hurdles⁶
- **Azule Transaction**
 - Block 3/05 contingent of up to \$14m over 2 years, subject to oil price hurdles⁷
 - Up to \$15m subject to Block 3/05A future developments⁸

1 Relates to materialised contingent considerations, working capital adjustments and interests accumulated from effective date to completion date.

2 Asset cashflow generation from effective date to completion, comprising crude oil sales less PIT and cash calls paid.

3 Stock value computed based on realized oil prices of \$85/bbl for INA and \$88/bbl for Sonangol. Azule stock inherited is estimated based on a price \$75/bbl.

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

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

6 Brent price threshold of \$65/bbl and requires minimum gross annual production of 15 kboepd.

7 Payable as \$0.15m per incremental unit of Brent between \$75/bbl and \$121.7/bbl

8 Subject to development of existing discoveries and a minimum Brent price of \$75/bbl.



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