

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION EU 596/2014 ("MAR"). IN ADDITION, MARKET SOUNDINGS (AS DEFINED IN MAR) WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION AS PERMITTED BY MAR. THAT INSIDE INFORMATION IS SET OUT IN THIS ANNOUNCEMENT AND HAS BEEN DISCLOSED AS SOON AS POSSIBLE IN ACCORDANCE WITH PARAGRAPH 7 OF ARTICLE 17 OF MAR. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THE INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION IN RELATION TO THE COMPANY AND ITS SECURITIES.

6 February 2017

Angus Energy plc

("Angus Energy" or the "Company")

£2,000,000 Fundraising

and

Acquisition of Interest in PEDL143 incorporating the Holmwood Prospect

Angus Energy plc ("Angus" or the "Company"), an independent onshore oil and gas development company, is pleased to announce it has raised £2,000,000 by way of private placing (the "Placing") and reached agreement with Europa Oil & Gas Limited ("Europa" or the "Operator") to acquire a 12.5% economic interest by way of a farm-in arrangement in PEDL143 located within the Weald Basin, in southern England and containing the drill-ready Holmwood Prospect (the "Acquisition").

The Acquisition

The Company's wholly owned subsidiary, Angus Energy Weald Basin No.3 Limited ("AWB3") has entered into an agreement to acquire a 12.5% economic interest in PEDL143 through the immediate payment of certain historic costs incurred by the Operator along with 25% of the costs of the Holmwood-1 exploration well up to a gross well cost of £3.2 million (£800,000 net cost to Angus), and certain further contingent costs as further set out below.

The Company will participate in the drilling of the planned Holmwood-1 exploration well, which obtained planning consent during 2015, that will test the Holmwood Prospect's identified Portlandian and Corallian sandstone reservoirs and the same Jurassic section that tested oil from Kimmeridge limestones at Horse Hill.

Highlights:

- The Acquisition is complementary to the Angus' existing portfolio particularly as PEDL143 is bordering the Western and Southern sides of the Company's oil field in Brockham (PL235)
- Holmwood-1 is a high impact exploration well with planning consent and is expected to be drilled in 2017
- Europa estimates the unrisks gross mean prospective resources to be 5.6 million barrels with a geological chance of success ("COS") of 33% from the shallower sandstone reservoirs only

- Net well cost to Angus expected to be £800,000 and will be financed from the proceeds of the Placing
- Further upside resource potential exists from the Jurassic Kimmeridge limestones
- Presence of multiple payzones

Further details of the Acquisition are set out below.

The Placing

The Company has today raised gross proceeds of £2,000,000 by way of private placing of 18,181,818 new ordinary shares of £0.002 each in its share capital (the “Placing Shares”) through its broker, Optiva Securities Limited.

Highlights:

- The Placing raised gross proceeds of £2,000,000 at a price of 11p per Placing Share (the “Placing Price”), conditional only on Admission
- The Placing Shares have been allotted and an application for their admission to trading on AIM has been made (“Admission”) with Admission expected to take place on or around Friday 10 February 2017. The Placing Shares will rank pari passu with the Company’s existing ordinary shares in issue
- The number of ordinary shares in issue immediately after Admission will be 234,162,105.

Use of proceeds

Angus intends to use the proceeds of the Placing to:

- Pay the costs of the Acquisition and the ongoing costs attributable to its interest in PEDL143, including drilling the Holmwood-1 exploration well, expected to be approximately £1.0 million
- Fund the costs of the acquisition of a 10% interest in the Brockham oil field licence PL235 which it acquired from Terrain Energy Limited (“Terrain”) on 16 December 2016 (the completion of which will increase the Angus group’s interest in PL235 to 65%) (“Brockham Acquisition”). The Company estimates this will cost approximately £300,000. The Brockham Acquisition had been funded with excess working capital the Company raised at Admission; the Placing re-establishes that working capital surplus to act on future growth opportunities
- Potentially, finance the exercise of its option, granted to it by Terrain on 16 December 2016, to acquire a 10% interest in the Lidsey oil field licence PL241 (the completion of which would increase the Angus group’s interest in PL241 to 60%) (“Lidsey Option”) – this option has not yet been exercised and a further announcement will be made should the Company elect to do so.

Further details of Brockham Acquisition and the Lidsey Option are contained in the announcement published by the Company on 16 December 2016.

Jonathan Tidswell-Pretorius, the Company's Chairman, commented:

“Participation in the Holmwood-1 exploration well is a strategic opportunity for Angus and wholly consistent with our strategy of acquiring, managing and monetising select projects to add to our portfolio. Following the successful completion of our work to complete, log, case and cement the well at the Brockham production site, the Acquisition will give the Company access to a second future production site to access the subsurface in this part of the Weald basin. Additionally, the Placing will allow the Company to potentially exercise the Lidsey Option, should it choose to do so, thereby enabling the accelerated drilling of Lidsey-2, increasing production from the Oolite reservoir while simultaneously assessing the potential of the Kimmeridge in the southern part of the Weald basin”.

The Acquisition

Terms of the Acquisition

Under the terms of the Acquisition, Angus has agreed to pay to Europa:

- 12.5% of the back costs incurred since 1 February 2016 (£26,563 net cost for Angus)
- 25% of the costs of the Holmwood-1 exploration well up to a gross well cost of £3.2 million (£800,000 net cost for Angus)
- 12.5% of all non-well costs and gross well costs in excess of £3.2 million
- Should there be a commercial discovery and subsequent development on the PEDL143 licence, Angus will make a deferred payment to Europa of £265,625 covering back costs plus a 25% uplift
- Such deferred payment to be made from the net proceeds of the sale of production from any future development of a discovery on PEDL143

Angus' contribution towards the costs of the drilling of the Holmwood -1 exploration well will be financed from the proceeds of the Placing.

The Acquisition is conditional upon Admission and Angus has provided, and received from Europa, standard warranties and undertakings under the Acquisition agreement.

Holmwood Prospect

During 2015 planning permission was obtained for both the surface well location and underground wellpath for the Holmwood-1 exploration well expected to be drilled during 2017.

The Holmwood Prospect is a conventional oil prospect first identified by BP in 1988, and is estimated by the Europa (as the operator) to hold gross mean unrisked prospective resources of 5.6 million barrels of oil in the Portlandian and Corallian sandstones with a geological COS of 33%. The P90 - P10 range of prospective resources is 1 to 11 million barrels of oil which is the typical range for the Weald Basin, based on the 14 oil and gas fields that have been discovered and produced in the Weald Basin to date.

The Holmwood Prospect lies 12 kilometres immediately to the west of, and on trend with the Horse Hill-1 discovery well in PEDL137 where earlier in 2016 UK Oil & Gas Investments PLC and their partners reported excellent flow rates from test production from the Upper Portland sandstone reservoir and the Upper and Lower Kimmeridge limestone reservoirs. The Holmwood Prospect also lies approximately 5 kilometres south of the Brockham oilfield that produces from the Portland sandstone reservoir and has recently revealed hydrocarbon shows in the deeper Kimmeridge and Corallian formations present in the oilfield.

The Holmwood-1 exploration well will penetrate similar stratigraphy to Horse Hill-1 discovery including the possibility that oil may be encountered in the Jurassic Upper and Lower Kimmeridge Limestones, in addition to its principal targets in the Corallian and Portlandian sandstone. Possible resources within the Jurassic limestones, equivalent to those discovered at Horse Hill-1 discovery well, have not been estimated in the Operator's mean unrisked prospective resources forecast of 5.6 million barrels of oil and so offer further upside potential.

On completion of the Acquisition and subsequent transfer of interests, which are subject to Oil and Gas Authority approval, the interests in PEDL143 will be:

Europa Oil & Gas Limited	20.0%
UK Oil & Gas Investments PLC	30.0%
Egdon Resources U.K. Limited	18.4%
Angus Energy Weald Basin No. 3 Ltd (Angus Energy Plc)	12.5%
Warwick Energy Exploration Limited	10.0%
Union Jack Oil plc	7.5%
Altwood Petroleum Limited	1.6%

TVR

In addition, in conformity with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the Company announces the following:

Following the Placing, the Company's issued share capital will consist of 234,162,105 ordinary shares of £0.002 each (“Ordinary Shares”) with voting rights. The Company does not hold any Ordinary Shares in Treasury.

Therefore the total number of Ordinary Shares in the Company with voting rights, following Admission, will be 234,162,105.

The above figure of 234,162,105 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will, following Admission, determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

Future Plans

Additionally, the Company is looking into capitalising on the work undertaken in conjunction with the AIM admission, to potentially publish a NEX Exchange Bond Information Memorandum (the “IM”). The publication of this IM would enable the Company, after admission of the bonds at a future date, to raise up to £3.5m, in tranches, secured against its assets.

The Company does not expect to raise any funds on publication of the IM but based on the Company’s balanced mix of producing, development and exploration assets believes this would help diversify the Company’s funding sources and lower the cost of capital going forward. The bonds will enable the Company to put in place a balanced mix of funding sources to accelerate the further growth of the Company and can be drawn down in tranches as and when it is required. Bonds would only be issued in consultation with the Company’s Nominated Adviser and after the board of directors is confident about the Company’s ability to service the interest and repay the principal from its operational cash flows. A further announcement will be made in due course.

Qualified Person's Statement:

Chris de Goey, a Non-Executive Director of the Company, who has over 20 years of relevant experience in the oil and gas industry, has approved the information contained in this announcement. Mr de Goey is a member of the Petroleum Exploration Society of Great Britain and the Society of Petroleum Engineers.

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Notes

Europa Oil is an AIM listed exploration and production company focused on Europe. It offers a mix of very high impact exploration assets offshore Ireland and interests in exploration, production and development onshore UK. For further details on Europa, please see the following link: <http://www.europaoil.com/>

The Company's 65% interest in PL235 takes into account a trust arrangement with Alba Mineral Resources plc ("Alba") whereby Alba acquired a 5% interest in PL235 (as set out in a farm-out agreement dated 14 September 2016) which Angus holds on trust for Alba pending completion of the farm-out which is subject to Oil and Gas Authority consent.

Full details on PL235 and PL241 are set out in the Company's AIM Admission document dated 12 November 2016.

About Angus Energy plc.

Angus Energy plc. is an AIM quoted independent onshore oil and gas development company focused on leveraging its expertise to advance its portfolio of UK assets as well as acquire, manage and monetise select projects. Angus Energy owns and operates conventional oil production fields in Brockham (PL 235) and Lidsey (PL 241).