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1 May 2020

Angus Energy Plc
("Angus Energy" or the "Company")
Operations and Planning Update

Angus Energy (AIM: ANGS) is updating the market on progress made during the lockdown on the Company's interests at Saltfleetby and at the southern sites of Balcombe, Brockham and Lidsey.

Saltfleetby Redevelopment: *Planning and Permitting*

Work to deliver the re-commencement of gas production from the Saltfleetby Gas field continues on schedule. Two planning applications to Lincolnshire County Council are in process. The first relates to updating current use of the site to incorporate on-site gas processing and Angus expects to file this application within the next week. The second application relates to the 750 metre extension of the pipeline to the National Grid Terminal.

An opportunity has presented itself to divert the proposed pipeline by a hundred metres to the nearby gas distribution centre where a suspended, but functional, third party gas line runs from the old Theddlethorpe refinery northward to the refineries on the Humber. This line could represent an alternative off-take route and we are keen to incorporate that optionality even though it results in a minor delay to the Council submission. Target date for submission is now the last week of May.

Consistent with our objective of delivering a robust long-term strategy in addition to a low-cost project, we are evaluating the use of Hydrogen-ready high pressure pipework for this extension. Potentially at no additional cost this would represent the first of its kind as a direct connection to the National Transmission System. This has the opportunity to bring the Field into the vision of a zero carbon economy for the Humber, where Saltfleetby itself could present opportunities for Hydrogen storage toward reservoir end of life. Thus, whilst stressing that this is very early days, retaining these connections and advancing the pipeline technology may be of value to ourselves and other operators in the future.

Concurrent applications are being prepared for variation of permit at the Environment Agency and for sundry permissions and approvals at Health & Safety Executive. Finally, the Oil & Gas Authority will need to approve the final Field Development Plan following Planning Approval. Whilst each approval and permission is essential, the activity of dealing with high pressure gas is one in which concerns of health and safety are paramount and to that end we have engaged a specialist process H&S consultancy from the earliest stages of design and procurement to guide us in hazard identification and mitigation.

Whilst the statutory thirteen week consultation period for planning applications sets a timeframe, given the relatively non-contentious and short nature of the pipeline extension, in both length and

duration, we do have some expectation of being able to obtain planning and complete works on that stage during September. The timetable for completing upgrading of the actual site for processing is likely to be more dependent on issues surrounding procurement in the post-Covid environment.

Saltfleetby Redevelopment: *Procurement and Offtake*

On 3 April the Company sent out tenders to almost a dozen bidders for the various items of equipment needed to process the gas. This core equipment consists of three stages of compression (either directly driven or based on power generated on site) and one stage of dehydration, together with associated pipework, manifolding and a metering and control unit. The dehydration stage consists of cooling the gas to remove water and liquid hydrocarbons and can be achieved in a variety of ways.

We have extended the bidding deadline well into May in order to accommodate some of the issues surrounding Covid-19. Whilst the market for such equipment is global, procurement into the European Union is not a simple affair and even procurement from within the Union is demanding in terms of the paperwork which must ultimately certify the origin of kit and its compliance with CE standards. Most bidders are experiencing some delays internally and anticipating others externally but overall the Company believes that delivery and construction during the latter half of Q4 is a realistic target with first gas to follow shortly thereafter.

Angus has left open to the bidders as broad a remit as possible to use any combination of equipment which is cost-effective and readily available or alternatively to bid only on select elements.

As regards the connection work on the national grid site we understand that the procurement of long lead items has similarly already begun. Finally, the Company expects to complete an off-take agreement with one of the larger gas wholesale operators during May.

The Company will upload certain visual aides to the planning and procurement process onto its website on Monday 4th May after 4 p.m. to assist attendees in formulating questions at its forthcoming conference call.

Brockham

As disclosed to investors our revised Hydrogeological Risk Assessment prepared to support a Variation of Environment Agency permit for water injection at Brockham has been delayed for reasons beyond the Company's control. The document is nonetheless a much stronger one as a consequence of the delay and the Company has requested enhanced pre-application service and consequentially expects to have discussions of the same with the Environment Agency in the coming weeks.

Lidsey

We have taken the opportunity of Covid-19 and these low oil prices to suspend production at Lidsey and engage in some maintenance work on the wells and pumps there. We aim, subject to an acceptable prevailing oil price, to restart production in the summer and meanwhile the Company hopes to trial some small scale environmental technologies which are discussed in more detail below.

Balcombe

Angus has now withdrawn its current planning application to West Sussex County Council with a view to submitting an updated application within six weeks. We have noted the concerns raised by the Planning Officers regarding the application, however we are strongly of the view that energy security and supply in the UK, together with the manifestly lower carbon cost of locally produced hydrocarbon, remain arguments convincingly in favour of continued onshore production, particularly when the footprint can be crafted to be as small as it is expected to be at Balcombe. The revised application will propose a shorter duration of test period together with stronger arguments regarding national and local socio-economic benefits, and some additional environmental enhancement measures but will represent no additional cost to shareholders. In the opinion of the Company, the additional delay is of little consequence given the present oil price which we see as remaining problematic through the summer.

Other Environmental Matters

The Company is investing a modest sum exploring supplementary uses of some of its wells. At present these involve relatively low technology exploitation of geothermal heat to support trial cash crop generation. We believe that these trials can be done with minimal cost and without interfering with ongoing production. Whilst all these projects are well developed conceptually and are in use in other parts of the World, they are relatively, if not wholly, new as regards hydrocarbon reservoirs in the United Kingdom.

George Lucan, Managing Director, writes: "I would remind shareholders that, even on our modest estimates, Balcombe is a very valuable prospect to Angus and could at pre-crisis oil prices justify on its own the market capitalisation. We won't give up on it. Saltfleetby, however, according to the Competent Persons Report promises to deliver, as a mid-case, £50 million of future P50 cash flows before tax to Angus. This is a different order of magnitude and without any exploration risk.

The prospect of reconnecting such a large and venerable field back to the National Grid is at once exciting and daunting, involving a much broader range of activity than Angus has encountered in its southern oil fields. We have been fortunate in having as Technical Director an individual schooled in the glory days of British Gas but also fortunate to have access, during a period of low activity in the UK onshore industry, to a great range of highly skilled contractors and consultants who have brought this prospect into greater and greater definition with each passing day. I have reinforced confidence in our ability to reconnect this Field and so, by consequence, in our ability to secure for shareholders these sorts of meaningful returns."

The Company reminds investors that it will host an investor and analyst conference call on Tuesday 5 May 2020, at 17:00 (U.K. local time) following this update and alongside responses to the regular monthly Investor Q&A. The Company's Managing Director, George Lucan, will host the call followed by a question and answer session.

To participate in this conference call, please dial in to the following:

Standard International Access. +44 (0) 20 3003 2666

UK Toll Free. 0808 109 0700

Password Angus Energy

Shortly following the conference call, a recording will be available to download from the Company website <http://www.angusenergy.co.uk> for seven days.

END.

Enquiries:

Angus Energy Plc

www.angusenergy.co.uk

George Lucan

Tel: +44 (0) 208 899 6380

Beaumont Cornish (Nomad)

www.beaumontcornish.com

James Biddle/ Roland Cornish

Tel: +44 (0) 207 628 3396

WH Ireland Limited (Broker)

Katy Mitchell/ Harry Ansell

Tel: +44 (0) 113 394 6600

Flagstaff PR/IR

angus@flagstaffcomms.com

Tim Thompson

Tel: +44 (0) 207 129 1474

Fergus Mellon

Notes

About Angus Energy plc. Angus Energy plc. is a UK AIM quoted independent onshore oil and gas production and 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 majority owns and operates conventional oil production fields at Brockham (PL 235) and Lidsey (PL 241) and has a 25% interest in the Balcombe Licence (PEDL244) and a 12.5% interest in the PEDL143 Licence (A24 Prospect).