

23 April 2018

**Angus Energy Plc**  
("Angus Energy" or the "Company")

**Angus Energy Completes Financing For Balcombe Acquisition**

Angus Energy Plc, a conventional oil and gas production and development company, is pleased to announce it has issued a £3 million unsecured convertible security at an interest rate of 0%.

This will complete the financing for the Company's acquisition of a 25% interest in PEDL244, the Balcombe Licence, approved this month by the Oil & Gas Authority ("OGA").

The Balcombe Field Discovery is considered to be in the 'sweet spot' of England's Weald Basin given the 568 metre thickness and highest maturity of the Kimmeridge Layers. By comparison, the well test at Horse Hill in 2016, located northwest of Balcombe flowed at a rate of approximately 900 bopd from the Upper Limestone Layer in its 455 meter thick Kimmeridge section, the same section through which the horizontal Balcombe-2Z well is drilled. The well test of the Balcombe-2Z to be performed in Q2/18 will be the first horizontal well test of the Weald's Kimmeridge Layer.

Per the Company RNS of 22 January, subject to OGA approval, Angus Energy will assume Operatorship of the Balcombe Field Discovery on behalf of its partnership with Cuadrilla Balcombe Limited and Lucas Bolney. The Company notes the two aforementioned approval processes are performed in separate, sequential stages.

All operations at Balcombe will be performed conventionally through the naturally fractured, Kimmeridge limestones without a need for hydraulic fracturing or "fracking".

**Net Proceeds and Intended Use:**

- The issue of the convertible security raises net proceeds of £3,000,000.
- The convertible security is an interest free, unsecured, unsubordinated obligation of the Company convertible to Ordinary Shares of £0.002 each ("Ordinary Shares") on agreed terms.
- Provides financing to complete the acquisition of the 25% interest in the Balcombe Licence per the Company's 22 January 2018 RNS.
- General corporate purposes which may include capital expenditures, potential acquisitions and strategic transactions.

**Financing:**

The Company has entered into a zero interest, unsecured convertible note with Bergen Global Opportunity Fund, LP (the "Investor") having a nominal value of £3,390,000 (the "Convertible Security").

The Convertible Security will (subject to the satisfaction of certain conditions) be issued on or about 25 April 2018, and the Company will make an announcement of the issuance. The Convertible Security has a term of 24 months.

In connection with the Agreement:

- (A) the Company is issuing to the Investor 2,250,000 Ordinary Shares by way of a commencement fee in relation to the funding. The Company has applied for admission of these Shares, which rank *pari passu* with the existing Ordinary Shares in issue, to trading on AIM, and this is expected to become effective on or about 25 April 2018;
- (B) the Company is also issuing to the Investor 6,925,000 Ordinary Shares at par. The Company has applied for admission of these Shares, which rank *pari passu* with the existing Ordinary Shares in issue, to trading on AIM, and this is expected to become effective on or about 25 April 2018. The Investor may at any time require the Company to issue a further 1,175,000 Shares at par. The Investor may be required to make a further payment to the Company once all of the obligations of the Company under the Agreement have been finally met and no amount remains outstanding to the Investor, depending on the price of Ordinary Shares at such time; and
- (C) the Company has agreed that it will issue 5,000,000 warrants with an exercise period of 48 months from the date of issue (the “Warrants”) to the Investor entitling the Investor (or any subsequent holder of the Warrants) to subscribe for one share per warrant at the exercise price equal to £0.0995.

The Investor has agreed to certain limitations on its ability to dispose of the Shares following a conversion of the Convertible Security.

The Convertible Security will be convertible at the Investor’s election at: 90% of the average of five daily volume-weighted average prices of the Ordinary Shares on AIM during a specified period preceding the relevant conversion, or 140% of the average of the daily VWAPs for the 20 trading days immediately prior to the execution date of the Agreement (such conversion price being £0.10 per Share). For the first twelve months the Company will have the right to repurchase 100% of the amount of the Convertible Security outstanding at face value (subject to the right of the Investor to retain 30% of the Convertible Security from such repurchase for conversion).

The Company will make an announcement when the Convertible Security is converted in whole or in part and will specify in such announcement the relevant conversion price. The Convertible Security will be convertible only to the extent that the Company has corporate authority to do so.

Application will be made to the London Stock Exchange for any Shares issued and allotted on exercise of the Warrants or conversion of the Convertible Security to be admitted to trading on AIM.

**Paul Vonk, Managing Director, said:**

“The Board gave careful consideration to several options proposed by various firms including the Company’s Broker.

Our institutional financing partner understood the value of Angus Energy’s Balcombe acquisition and the cash contribution of our current production levels, demonstrate our ability to not only produce oil efficiently but create long term value for shareholders. This is demonstrable given the Investor’s ability and incentive to participate in equity growth.

Unanimously supported by our Board, this transaction is not only recognition of our ability to generate cash and maintain a low cost of capital within a flexible capital structure, but it fulfilled our goal, to the extent possible, to limit dilution for our existing Shareholders.

We are looking forward to the Balcombe-2Z well test as we maintain focus on operations at Lidsey and Brockham in the current attractive oil price environment.”

#### **Balcombe Licence – PEDL244**

- Balcombe licence positioned in the centre of the thickest section of the Weald Basin’s Kimmeridge Clay
- 568 meters of Kimmeridge Clay penetrated by Balcombe-1
- The Balcombe-2Z horizontal well has ~1600 ft. of the Kimmeridge Upper Limestone.

The Balcombe field is located within exploration licence PEDL 244, approximately 8km south east of Crawley near the village of Balcombe. The conventional oil accumulation lies on the downthrown side of the Borde Hill Fault, with dip closure present both to the east and west at Upper Jurassic level. The field is positioned in a prime central location of the Weald Basin, where buried rock intervals are at their thickest, and oil source rock intervals at their most mature.

The discovery well Balcombe - 1 was first drilled in 1986 by Conoco, targeting the Great Oolite, Portland Sandstone and Kimmeridge limestones. Approximately 568m of Kimmeridge Clay was encountered in the well, including thick micritic limestone layers. Balcombe – 2 and its associated side track Balcombe–2Z completed drilling in September 2013 to a vertical depth of 2,200 ft, and horizontally through the Kimmeridge Upper Limestone to a length of some 1,714 ft.

#### **TVR:**

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

As at Admission, the Company will have 306,812,986 Shares in issue with each Share carrying the right to one vote. There are no Shares currently held in treasury.

The total number of voting rights in the Company will therefore be 306,812,986, and this figure may be used by shareholders as the denominator for the calculations by which they determine if they are required to notify their interest in, or a change to their interest in, the Company under the Disclosure Rules and Transparency Rules published by the United Kingdom Listing Authority.

Further information is available on the company website:

[www.angusenergy.co.uk](http://www.angusenergy.co.uk)

#### **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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### **About Bergen Asset Management LLC**

Based in New York, Bergen Asset Management, LLC is an institutional investor with a track record of success focusing on direct investments in small-cap companies around the world.

### **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 12.5% interest in the Holmwood licence (PEDL143) along with an agreement to acquire a 25% interest in the Balcombe Licence (PEDL244).

### **Enquiries:**

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