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20 April 2020

Angus Energy Plc

("Angus Energy" or the "Company")

Issue of £1.4 million Convertible Loan Note and

Part-repayment of Riverfort facility

Angus Energy plc (AIM: ANGS) is pleased to announce that it has today issued a 4% per annum £1,400,000 Convertible Loan Note (the "New Loan Note") to Knowe Properties Limited, a significant shareholder in the Company. The New Loan Note is unsecured and is convertible at maturity after two years at the lower of (a) £0.01; or (b) if there is an issue of Shares or options in respect of Shares (excluding options granted to directors, managers or employees) by way of a single or directly related offer to the public with an aggregate subscription amount of £250,000 or more made without the prior written approval of the Noteholder then the price attaching to the lowest of those issues (the "Conversion Price").

Alternatively, and at the Company's option, the Loan Note is repayable in part or whole at any time up to two months before maturity with an accompanying grant of warrants equal to the face value of the amount repaid. The warrants are exercisable at the lower of 1.3 pence or a 30% premium to the Conversion Price. Additionally, the Company has undertaken not to issue options to directors or staff at an exercise price below £0.01 during the term of the New Loan Note.

A proportion of the issue proceeds of the New Loan Note will be immediately used to repay £250,000 of the outstanding £600,000 of the earlier Convertible Loan Note issued on 24 October 2019 led by Riverfort Global Opportunities PCC Limited (the "Convertible Loan Note"), and additionally the terms for conversion of the remaining £350,000 have been altered as follows. New repayment dates have been set at six equal monthly instalments between 24 May and 24 October 2020 and, if the Company elects not to pay an amount on the due date, that amount will become either convertible at any time as per the original terms or simply repayable at final maturity. Otherwise no amount may now be converted. 15,000,000 warrants have been granted to the noteholders at a strike price of 1 pence in exchange for waiving rights under their notes. Furthermore, the Company has agreed that no further advances (in the aggregate nominal amount of £500,000) will be available for drawdown by the Company under the Convertible Loan Note.

Knowe Properties Limited is a 10.0% shareholder in the Company and, as such, is considered to be a "related party" as defined under the AIM Rules and, accordingly, the issue of the New Loan Note constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules. The Directors consider, having consulted with Beaumont Cornish, the Company's nominated adviser, that the terms of the New Loan Note are fair and reasonable insofar as the Company's shareholders are concerned.

George Lucan, Managing Director, writes:

“Due to Covid-19 we face an unprecedented situation which makes a variable price and freely convertible instrument exceptionally difficult for the market to price. For the moment, we are very pleased to have secured £1.4 million of new core capital for the Company at a time when few can have confidence that equity capital markets will be open for fundraising for the foreseeable future.

This issuance is not to meet any particular identified cash need but is first and foremost one of prudence with the aim of strengthening the Company’s capital base ensuring we are able to meet any unforeseen challenges that lie ahead. The funds will be primarily used to reduce any impact from the Riverfort Global Opportunities PCC Limited facility, now only £350,000, and to assist and support the broader reconnection programme at the Saltfleetby Gas Field and the more involved planning process at Balcombe.

We shall be updating shareholders on the details of recent progress made at all of our sites at the end of April.”

END.

Terms of the New Convertible Loan Note

Term:	Two years terminating on 17 April 2022
Interest:	4% per annum payable annually – i.e. at 17 April 2021 and 17 April 2022
Conversion:	By the issue of a conversion Notice at any time from 2 months prior to the repayment date. However, whilst the actual issue of shares shall not take place until the Repayment Date, the issue of a Conversion Notice by the Noteholder would preclude the Company from making further repayments
Conversion Price:	The lowest of (a) £0.01; (b) if one or more Equity Events have occurred, the lowest price per Share at which Shares were issued pursuant to an Equity Event; or (c) in the case of share options being granted pursuant to an Equity Event, the lowest exercise price per Share at which such share options were granted (other than, for the avoidance of doubt, to directors, managers or employees);
Equity Event:	means the issue of Shares or options in respect of Shares (excluding options granted to directors, managers or employees) by way of a single or directly related offer to the public with an aggregate subscription amount of £250,000, £350,000 for the first six months, or more made without the prior written approval of the Noteholder;
Restrictions:	No other financing arrangements for the term of the Loan except reserves based lending and asset based finance; No issuance of options to staff or management with an exercise price under 1p per share

Default: Standard provisions including insolvency and material adverse change;

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).