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30 November 2020

Angus Energy Plc

("Angus Energy", "Angus" or the "Company")

**Memorandum of Understanding on Saltfleetby Finance Facility
and Geothermal Projects**

Angus Energy plc (AIM: ANGS) is pleased to announce, further to the RNS of 23 September 2020, that, together with its partner, Saltfleetby Energy Limited ("SEL"), it has entered into a Memorandum of Understanding (the "MOU") with Aleph Energy Limited and Aleph Commodities Limited ("Aleph") detailing non-binding Heads of Terms to provide up to £12 million towards the Saltfleetby Finance Facility required to develop the Saltfleetby Gas Field ("Saltfleetby"). Angus operates Saltfleetby and holds a 51% working interest with SEL holding the remaining 49%.

The indicative terms provide for a four year amortising loan facility of up to £12million with a 12% margin over LIBOR, a 3% commitment fee payable out of the facility, a share grant of 30 million shares in Angus, issued over the life of the facility and an override of 8% on gross revenue following repayment of the facility. Given the share grant to be issued by Angus under the MOU, SEL has agreed net drawdowns from the facility to cover elements of the pipeline completion, thereby keeping the relative funding liabilities on the agreed pro rata basis of 51%/49%.

The structure provides minimal equity dilution to the Company, as well as alignment of interest between Angus, SEL and Aleph to grow the revenue whilst maintaining strong Environmental, Social and Governance ("ESG") principles. The Saltfleetby development will help displace imported liquified natural gas (LNG) and serve to create local employment opportunities.

From the outset until repayment of the debt, Angus will also appoint Aleph Energy Limited as its commercial and technical adviser on this project with particular regard to Aleph's experience marketing energy products, managing price and logistics risks, as well as its expertise in all upstream activities.

Under the MOU, upon presentation of a suitable approved geothermal programme for a new off-site project before the end of January 2021, which Angus has been developing throughout the present year, as further detailed below, Aleph Energy and Aleph Commodities will together seek to procure, on a best efforts basis, up to a further £8 million of committed funding for that programme. Aleph will also assist in funding and developing hydrogen and carbon capture solutions with a view of providing clean energy and local employment opportunities. With H2H Saltend being recently announced, the partners believe Saltfleetby and the surroundings will become a hub for the hydrogen economy in the United Kingdom.

Under the terms of the MOU, Aleph has been granted a 90 day exclusivity period (extendable if agreed between the parties) beginning on the date of the MOU in which to undertake customary legal and financial due diligence investigation in relation to Saltfleetby, the reasonable costs of which will be met by Angus. Aleph will also need to agree the funding of the Saltfleetby Finance Facility with its funding partners. **Furthermore, it should be noted that the MOU is non-binding and shall not**

constitute and is not intended to establish any legally binding contractual obligation or other form of relationship between the Parties.

Aleph Commodities is an investment company, with an ESG focus at its core, actively engaged in the Energy Transition. Following from its recent acquisition of InterTank Nordic AB, Aleph is a partner to producers, consumers and storage companies seeking to actively develop energy solutions that reduce carbon emissions and positively impact the local communities where it is active.

Geothermal Projects at Saltfleetby

In June 2020, the Company engaged a third party report from Soluzioni Hydrocarburi S.A. on the potential to repurpose two wells at the Saltfleetby Gas Field, SF05 and SF08, for a closed loop system of heat recovery by producing, and reinjecting, water from the Sherwood Sandstone water bearing layer. The report examined preferred flow rates of water necessary to achieve maximum heat recovery, likely pathways, speed and direction of injected water in the formation and the potential for connection or otherwise of the injected water between producer and injector wells and any impact on heat recovery.

The candidate wells' deviation profiles were drawn to obtain the distance between SF05 and SF08 at mid-aquifer depth which is at a depth of 1,313 m. The wells' average penetration angle across the Sherwood sandstone was also computed. Note that well distance for a typical well doublet (a two well project) is of the order of 1 km. The result of the study yielded a potential thermal power output for the doublet of between 1.34MW and 6.98 MW which could be used to power a portion of the site for the next decade.

Further Geothermal Project

Away from Saltfleetby, a further potential large scale geothermal project is under study. The proposed scheme, located in an area of high geothermal gradient, would be designed to achieve significant commercial power generation. Current projects in the area have de-risked some aspects of this technology and this project would seek to build on that experience to scale up to a full power generation project.

Current work is evaluating possible locations including preliminary discussions with land owners coupled with technical work on well design, surface facilities and infrastructure including initial contacts with the electricity grid connection provider. At the same time the regulatory and planning framework is being reviewed and initial submissions are in preparation. Deeper geothermal energy will become increasingly important as a stable provider of electricity balancing the output from other green energy sources that are subject to the vagaries of wind and weather. Angus sees a large new market opening for these projects and wishes to be an early entrant to the field.

George Lucan, Angus CEO, comments: "We believe that these terms potentially represent a great result for shareholders in a difficult time for fundraising for any hydrocarbon project. Saltfleetby is a considerable opportunity with, according to the CPR of 4 March 2020, the potential to deliver between £75 million (P90) and £250 million (P10) of gross revenues to all parties over its remaining life.

It is also exciting for us to have a potential partner who marries technical and commercial skills as well as proven access to considerable pools of private capital. We believe Aleph is the right partner to

smaller scale energy and ESG projects that provide much needed local employment and displace more polluting energy fuel sources.

We see in geothermal, in particular, a natural extension of our drilling and subsurface geological expertise, our teams' experience of working safely in high pressure and high temperature environments subject to rigorous environmental standards and of dealing with local planning issues with extreme sensitivity.

In view of the impending Christmas break and inevitable Covid-19 related delay, we expect to conclude documentation and drawdown by the end of January but at any rate in the early first quarter 2021 following which we will be able to accelerate the procurement process as we head toward First Gas in H1. In the meantime, we continue with detailed design whilst isolating key long-lead items for express procurement and are happy to note that our hydrogen ready pipe is now safely laid and we are progressing with the final 150 m steel stretch of the pipeline."

Jason Joannou (Founding Partner at Aleph Commodities) comments "Angus is a strategic platform for the future of energy production: via natural gas and geothermal energy, and with plans for hydrogen and carbon capture solutions. The partners at Aleph believe Angus, under the innovative management team led by George Lucan, is the blueprint for the ideal modern energy company and a beacon for the Energy Transition. We look forward to working with Angus and assisting them with their plans for the future."

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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 has a 51% interest in the Saltfleetby Gas Field

(PEDL005), 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).