

THIS IS AN ANNOUNCEMENT UNDER RULES 2.4 and 2.6 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "TAKEOVER CODE") AND IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE TAKEOVER CODE AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER MIGHT BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR"), AND IS DISCLOSED IN ACCORDANCE WITH THE COMPANY'S OBLIGATIONS UNDER ARTICLE 17 OF MAR.

**7.00am 6 January 2022**

### **Angus Energy Plc**

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

#### **Strategic Review, Formal Sale Process and Commencement of Offer Period**

The Board of Angus Energy plc (the "Board") whilst remaining fully committed to achieving first gas at Saltfleetby as soon as possible has simultaneously been addressing the urgent need for transition energy projects in particular in the geothermal sector in the south west of England. Even though progress in these twin goals is steady and sure, the Board share the outlook of some of our shareholders that our market capitalisation doesn't reflect the short-term value of existing hydrocarbon assets and their immediate cashflow potential and any long-term value in the Company's scaleable geothermal project.

This valuation mismatch, also experienced by many other smaller energy companies, has resulted in a series of approaches with interest in, and in one instance an indicative non-binding offer for, some or all of the Company's 51% interest in the Saltfleetby Gas Field asset which is under consideration. Additionally, the Board has received indications that certain parties may be interested in making an offer for the Company.

Whilst not wishing to be distracted from our immediate aims we must meet our responsibility to shareholders to evaluate any proposals. As such, the Board has been considering options for the Company with its advisers. In light of these developments, and to better position the Company for further growth, and to maximise value for existing shareholders, the Board has now determined to undertake a review of the strategic options. These options include, but are not limited to, a sale of the Company which will be conducted under the framework of a "formal sale process" in accordance with the Takeover Code.

The Board is unanimous in its support for such a strategic review and has appointed Beaumont Cornish ("BC") as its financial adviser. Parties with a potential interest in making a proposal should contact BC, whose details are set out below.

#### **Operational Update**

Progress continues apace at Saltfleetby and whilst some suppliers have advised of delays of the order of a few weeks and the Board anticipates a further increase in the contingency for the project (up to 10% of budget), the Directors are confident of achieving first gas in a timeframe which will not be

materially different from that advised. A detailed week by week construction and commissioning timetable will be issued during the course of January 2022 as matters become clearer.

George Lucan, CEO, commented:

*"The speed of transition has surprised the energy market in general and the resulting shortage of new gas supply, and deficit of renewable sources, is likely to lead to periodic crises such as we saw recently in the UK and a very high forward gas price in years to come. Presently, the market is attributing little value to hydrocarbon reserves in general, or in our instance, the immediate cashflow prospects of the Saltfleetby Gas Field. Accordingly, in the light of this and the interest expressed by other energy market participants, we think it in the best interests of shareholders to conduct this strategic review and formal sale process."*

### **Formal Sale Process**

Any interested party will be required to enter into a non-disclosure agreement with the Company on terms satisfactory to the Board. The Company then intends to provide such interested parties with certain information on the business, following which interested parties will be invited to submit their proposals to BC.

Further announcements regarding timings and procedures for the formal sale process will be made as appropriate.

The Company is not currently in any discussions with any potential offeror relating to an acquisition of the issued and to be issued share capital of the Company.

The Board reserves the right to alter any aspect of the process or to terminate it at any time and will make further announcements as appropriate.

The Board also reserves the right to reject any approach or terminate discussions with any interested party or participant at any time.

The Takeover Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Takeover Code such that any interested party participating in the formal sale process will not be required to be publicly identified as a result of this announcement (subject to Note 3 to Rule 2.2 of the Takeover Code) and will not be subject to the 28 day deadline referred to in Rule 2.6(a), for so long as it is participating in the formal sale process. Interested parties should note Rule 21.2 of the Takeover Code, which will prohibit any form of inducement fee or other offer-related arrangement, and that the Company, although it may do so in the future, has not at this stage requested any dispensation from this prohibition under Note 2 of Rule 21.2. Following this announcement, the Company is now considered to be in an "offer period" as defined in the Takeover Code, and the dealing disclosure requirements summarised below will apply.

This announcement is not an announcement of a firm intention by any party to make an offer under Rule 2.7 of the Takeover Code and there can be no certainty that an offer will be made, nor as to the terms on which any offer will be made.

## **Rule 2.9**

In accordance with Rule 2.9 of the Code, Angus confirms that it has in issue 1,093,086,880 ordinary shares of £0.002 each in the capital of the Company ("Ordinary Shares") admitted to trading on the AIM Market of the London Stock Exchange. The International Securities Identification Number for the Ordinary Shares is GB00BYWKC989.

### **Disclosure Requirements of the Takeover Code ("the Code")**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

**END.**

**Enquiries:**

**Angus Energy Plc** [www.angusenergy.co.uk](http://www.angusenergy.co.uk)

George Lucan Tel: +44 (0) 208 899 6380

**Beaumont Cornish (Nomad)** [www.beaumontcornish.com](http://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](mailto:angus@flagstaffcomms.com)

Tim Thompson Tel: +44 (0) 207 129 1474

Fergus Mellon

**Aleph Commodities** [info@alephcommodities.com](mailto:info@alephcommodities.com)

**Notes**

**About Angus Energy plc**

Angus Energy plc is a UK AIM quoted independent onshore Energy Transition company with a complementary portfolio of clean gas development assets, onshore geothermal projects, and legacy

oil producing fields. Angus is focused on becoming a leading onshore UK diversified clean energy and energy infrastructure company. 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).

### **Important Notices**

This announcement contains 'forward-looking statements' concerning the Company that are subject to risks and uncertainties. Generally, the words 'will', 'may', 'should', 'continue', 'believes', 'targets', 'plans', 'expects', 'aims', 'intends', 'anticipates' or similar expressions or negatives thereof identify forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely. The Company cannot give any assurance that such forward-looking statements will prove to have been correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement. The Company does not undertake any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required.

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company.

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or solicitation of any offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction. Any offer (if made) will be made solely by certain offer documentation which will contain the full terms and conditions of any offer (if made), including details of how such offer may be accepted. This announcement has been prepared in accordance with English law and the Code, and information disclosed may not be the same as that which would have been prepared in accordance with laws outside of the United Kingdom. The release, distribution or publication of this announcement in jurisdictions outside of the United Kingdom may be restricted by laws of the relevant jurisdictions, and therefore persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

Beaumont Cornish limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as Nominated Adviser and Financial Adviser to Angus and for no one else in connection with any matter referred to in this announcement and will not be responsible to anyone other than Angus for providing the protections afforded to its clients nor for providing advice in relation to any matters set out in this Announcement

### **Publication on Website**

A copy of this announcement will be made available at [www.angusenergy.co.uk](http://www.angusenergy.co.uk) no later than 12:00 noon (London time) on 7 January 2022 (being the business day following the date of this announcement) in accordance with Rule 26.1 of the Takeover Code. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

