

THIS ANNOUNCEMENT 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.

**9 March 2022**

**Angus Energy Plc**

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

**Update on Installation Schedule at Saltfleetby**

**Settlement of litigation and issue of equity**

**Strategic Review & Formal Sale Process ("FSP")**

Progress continues at the Company's 51% owned Saltfleetby Gas Field on fabrication, testing, assembly and certification on each of the skids together with, where fully advised, estimated delivery dates to site.

Skid/Unit	Basic Fabrication Status	Blasting, Assembly, Certification etc	Painting Testing,	Target Date	Delivery
Metering Package	100% complete	Completed		Completed	
Analysis Package	100% complete	Completed		Completed	
Compressor Coolers	100% complete	Completed		Completed	
Condensate Tanks	100% complete	Completed		Completed	
Water Storage Tanks	100% complete	Completed		Completed	
Flare Package	100% complete	On site, modifications, reassembly in situ in March		Completed	
Fuel Gas Skid	100% complete	Completed		17 March	
Flare Knock Out Skid	100% complete	Completed		18 March	
1 <sup>st</sup> compression (i.e pre side track)	Compressor:70% Driver: 90%	Black build underway		31 March	
Gas Engine Generator	100% complete	Re-assembly underway		4 April	
Separator Vessel	Modifications 100%	Painting complete, awaiting reassembly		5 April	
Passive Dehydration	>95% complete	Painting underway Awaiting reassembly		8 April	
Joule Thomson Skid	>95% complete	Pressure Testing on 18 March, Painting 31 March		27 April	
Condensate Stabilisation Skid	>95% complete	Pressure Testing on 11 March, Painting 4 April		29 April	

The heat exchangers referred to as a potential long lead item causing delay have now been secured and are being fitted to skids. There are no other significant long lead items which will delay the fabrication schedule.

Civil engineering works continue apace. Piling operations are complete. Foundations and plinths for the pipe-rack are almost complete with pipes now being fitted to shoes and ancillary frames being fabricated. Bases for the other skids are due to be poured over the coming weeks: Flare base (18<sup>th</sup> March), Compressor Base (21<sup>st</sup> March), bunding for Separator (24<sup>nd</sup>) and Condensate Stabiliser (24<sup>th</sup>) Storage tank base (30<sup>th</sup> March).

As regards electrical installation, all cables and trays have been ordered and installation and cable pull will begin in late March/early April with connections made during April as skids arrive. Pipe-work is about 15% complete with pipe now being set to racks.

Some dry commissioning, including hydrotesting and electrical and control circuit tests and verification, will take place before the arrival of the final skids at the end of April, allowing for a reasonably truncated commissioning process on what is actually a relatively simple arrangement of equipment with few moving parts outside of the combustion engines and compressors.

We are presently advising contractors of a spud date for the side track of during June 2022 to allow a few weeks of steady production prior to works.

#### Settlement of Litigation

Further to our announcement of 9 June 2021 the Company has reached a settlement agreement with a financial services provider (not being the Company's broker or Nomad) with whom it has been in dispute relating to the Saltfleetby Loan Facility. As part of this settlement agreement the Company has issued 39,200,000 ordinary shares (the "Shares") of 0.002 pence each representing approximately 3% of the enlarged issued and allotted share capital of the Company. The Board considers this settlement to be in the best interests of all shareholders as it will avoid further and considerable expenditures on legal costs and the burdensome call on management time at a critical juncture in the Company's development.

Application will be made for the Shares to be admitted to trading on AIM ("Admission") and it is expected that Admission will become effective on or around 16 March 2022. The Shares will rank pari passu with the existing ordinary shares. Following the issue of the Shares the Company will have 1,307,286,880 Ordinary Shares in issue, each share carrying the right to one vote. The Company does not hold any Ordinary Shares in treasury. The above figure of 1,307,286,880 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

#### Formal Sales Process and Strategic Review Update

The Company is pleased to confirm that it is continuing due diligence with a number of parties under or alongside its Formal Sales Process.

George Lucan, CEO, commented:

*"The focus is now away from skid delivery to installation with the aim of having the site ready for commissioning during April and producing during May. The present gas price forward curve shows very high average prices of over 400 pence per therm for 2022.*

*In fact, gross production, of which we have a 51% share, solely from the existing wells and which is wholly unhedged for the month of June, is expected to yield 1.5 million therms or gross revenue of £7.2 million at today's forward price for that month alone.*

*Gross production solely from the side-track, should it be successful, is again wholly unhedged for the remainder of the year and is expected to yield a further 1.5 million therms each month of which Angus share is 51%.*

*The forward curve remains very high and seems likely to remain high this year and the company is more than anyone else acutely conscious of the need to preserve our timeline in order to provide value to shareholders whether through revenue sales or corporate action."*

### **Formal Sale Process ("FSP")**

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 Beaumont Cornish Limited.

Further announcements regarding timings and procedures for the FSP will be made as appropriate.

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.**

**END.**

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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 10 March 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.