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23 January 2020

**ADM Energy PLC**

**("ADM" or the "Company")**

**Trading Update**

ADM Energy PLC (AIM:ADME), an oil and gas investing company quoted on AIM, provides an update on trading for the year ended 31 December 2019.

The Company holds a 5% equity investment in the Aje Field, part of the OML 113 licence offshore Nigeria. In 2019, the Aje Field continued to produce oil from both the Aje-4 well in the Cenomanian reservoir and Aje-5 well in the Turonian reservoir, with annual net production of 890,203 barrels of oil (2018: 1,200,000 barrels). The reduction was caused by both routine maintenance work on the floating production storage and offloading facility ("FPSO") and significant equipment upgrades on the gas lift modules in the second half of the year. Average barrels of oil per day ("bopd") was 2,967 (2018: 3,100 bopd), of which 148 bopd was net to ADM (2018:155 bopd).

As previously stated, it had been anticipated that the project debt would be repaid after the 12th lifting in January 2020. Whilst the operating conditions and production costs have remained stable, the lower than expected oil prices, combined with the slight delay detailed above, has meant that the project debt is now expected to be repaid on the 14th lifting scheduled in May 2020.

In addition, the Company is embarking on a strategy to expand its portfolio of assets by investing in assets now being made available across Nigeria and West Africa. This opportunity has necessitated an incremental increase in costs of the new management team and key personnel as the Company sets a platform to execute its growth strategy. Consequently, the Company no longer expects to be cash flow positive and profitable in 2020 as previously anticipated on the current asset portfolio.

The OML 113 partners continue to assess the viability of the next development stages, including funding to unlock the gas reserves at Aje, and technical work is currently being carried out.

**Osamede Okhomina, Chief Executive Officer of ADM Energy, said:** "In recent months, we have been very busy behind the scenes laying the groundwork to expand our investment portfolio. The Company's existing stake in OML 113 provides a producing asset with a long-term licence in place and potentially significant near-term upside, subject to further investment, from which to build this larger portfolio. PetroNor's recent buy-in to OML 113 brings expertise that has only served to further de-risk operations and accelerate plans for production growth.

"We already have several investment opportunities in consideration and are now forming strategic alliances to best structure and conclude them. With these elements in place, we are well positioned for a period of aggressive growth. I am looking forward to being able to announce these deals in the near future and delivering on the Company's vision."

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#### **About ADM Energy PLC**

ADM Energy (AIM:ADME) is a natural resources investment company with an existing asset base in Nigeria. ADM Energy holds a 5% equity investment in the Aje Field, part of OML 113, which covers an area of 835 sq km offshore Nigeria. Aje has multiple oil, gas and gas condensate reservoirs in the Turonian, Cenomanian and Albian sandstones with five wells drilled to date.

ADM Energy is seeking to build on its existing asset base in Nigeria and target other investment opportunities across the West African region in the oil and gas sector with attractive risk reward profiles such as proven nature of reserves, level of historic investment, established infrastructure, route to early cash flow and exploration upside.

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