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ADM Energy PLC
27 April 2020

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27 April 2020

ADM Energy PLC
("ADM" or the "Company")

CORPORATE UPDATE

Loan Facilities Agreement, Directors' Subscriptions and Debt Conversion
Stable Production Levels at OML 113
COVID-19 Protection Measures

ADM Energy PLC (AIM: ADME), an oil and gas investment company quoted on AIM, provides a corporate update in light of the COVID-19 pandemic and unprecendented market conditions affecting the oil industry.

KEY POINTS:

- Successfully executed Loan Facilities Agreement (£200,000), Directors' Subscriptions (approximately £50,000) and Debt Conversion (£152,400)
- Operations at OML 113 largely uninterrupted, with production levels remaining stable
- COVID-19 protection measures implemented to reduce cost base, secured finance for working capital purposes, and agreed a two month extension with EER for the refundable deposit payment
- Board, operators and joint venture partners focused on seeking ways to mitigate the impact of the oil price reduction
- ADM well positioned to withstand current market volatility and pursue the Board's stated core investment strategy

Osamede Okhomina, CEO of ADM Energy, said: "Whilst COVID-19 and the depressed oil price present a challenging environment, the Board and I are pleased to report that OML 113 has maintained its operational levels. Nevertheless, to strengthen the financial positon of the Company, we have taken the prudent decision to reduce our cost base, secure finance for working capital purposes, and have also agreed a two-month extension with EER for the refundable deposit payment as part of our increased investment in OML 113, announced in February this year.

"As a result of the steps taken, ADM has positioned itself to better withstand current market volatility and still pursue its core investment strategy. In fact, undervalued assets that were already due to be divested by oil majors have now seen their value depress further and may yet represent attractive investment opportunities once we move beyond this immediate market environment. In the near term, the Board will continue to closely monitor the impact of the pandemic and will update the market should there be a further change in circumstances."

CORPORATE OVERVIEW

COVID-19 and Cost-Cutting Measures

COVID-19represents an unprecedented national and international public health emergency which has impacted many aspects of our daily lives and which ADM hopes to see resolved quickly. The primary concern and focus for the Company currently is the health and safety of its employees, contractors and other stakeholders.

The asset operating company's offices and facilities remain open and are operating effectively with a variety of safety measures to ensure social distancing and enhanced cleaning regimes. All ADM members of staff have been working from home since 16 March 2020. The Board will continue to monitor the situation and act within government guidelines as matters develop but, at this stage, it does not anticipate any adverse impact on the Company's operations.

It is, however, true that COVID-19 has impacted worldwide oil demand. Notwithstanding the recently agreed international production cuts, it is not yet clear when the current low oil price environment will lift which will likely have an impact at ADM's investment level.

Cash and cost management are always key areas of focus for the Board and particularly so in the present environment. The Company has therefore taken the step to implement a cost-saving programme to reduce expenditure. It has put in place measures to cut G&A expenses by up to 35 per cent with immediate effect.

EER Payment Extension

The Company announced on 24 February 2020 that it had entered into an agreement with EER (Colobus) Nigeria Limited ("EER") to acquire, subject to satisfaction of certain conditions, a participating interest of 2.25% from EER in oil mining lease no. 113, which includes the Aje field ("the Agreement"). As part of the total consideration of $3,000,000 for the acquisition, to be paid at the time of completion in share capital and cash, ADM was required to pay a refundable deposit of $250,000 within 90 days of signing the Agreement.

In light of current market conditions, ADM has agreed with EER an extension of a further 60 days in which to make this deposit payment.

Loan Facilities Agreement

The Company has entered into a definitive agreement with a consortium of investors (the "Lenders") to raise, in aggregate, £200,000 through unsecured loan facilities ("Loan Facilites"), for working capital purposes. The Loan Facilities provide for a loan ("Loan") to be drawn down, in three tranches being £100,000 on 4 May 2020, £50,000 on 1 June 2020 and £50,000 on 1 July 2020. The Loan, together with any interest, is repayable in full on maturity (except where the Lenders request part or all of the Loan and applicable costs and interest to be utilised in paying for the warrants), which falls six months after the date of the first drawdown (the "Repayment Date") being 4 November 2020.

The Company will issue a total of 8,333,333 warrants to subscribe for ordinary shares in the Company at a subscription price of the lower of 2.4p per share or the placing price of any subsequent fundraise during the term of the warrants to the Lenders, pro rata to the value of each loan (the "Warrants"). The Warrants have a life of two years from the signing of the Loan agreement. The warrants are granted as additional consideration for the Loan.

Director Subscription and Issue of Shares

In addition, ADM announces that the Company's Non-Executive Chairman, Peter Francis, CEO Osamede (Osa) Okhomina and COO, Richard Carter, have agreed to subscribe for an aggregate 2,083,333 new ordinary shares of 1 pence each in the capital of the Company (the "Ordinary Shares") at a price of 2.4 pence per share ("Subscription Shares"), raising approximately £50,000.

Following the Directors' subscriptions, their respective shareholdings will be as follows:

Name	*Title*	*Number of Ordinary Shares purchased*	*Price paid per share (pence)*	*Resulting shareholding*	*Percentage of issued share capital*
Peter Francis	Non-Executive Chairman	1,041,667	2.4	1,041,667	1.49%
Osa Okhomina	CEO	625,000	2.4	625,000	0.89%
Richard Carter	COO	416,666	2.4	536,666	0.77%

Debt Conversion

In addition, the Company is issuing 6,350,000 Ordinary Shares to certain creditors for old debts ("Conversion Shares") at a price of 2.4 pence per share, some of which will be subject to lock-in provisions of up to six months.

Included within the Conversion Shares are 2,500,000 shares, equating to an amount of £60,000, due to Stefan Olivier, the former CEO of the Company.

Related Party Transactions

The subscriptions by Osa Okhomina, Peter Francis and Richard Carter are related party transactions for the purposes of Rule 13 of the AIM Rules for Companies (the "AIM Rules"). With the exception of Osa Okhomina, Peter Francis and Richard Carter, the Directors consider, having consulted with the Company's nominated adviser, Cairn Financial Advisers LLP, that the terms of the transactions are fair and reasonable insofar as the Company's shareholders are concerned.

In addition, the issue of shares to Stefan Olivier is also a related party transaction for the purposes of Rule 13 of the AIM Rules for Companies (the "AIM Rules") as Stefan Olivier has been a director of the Company within the previous 12 months. The Directors consider, having consulted with the Company's nominated adviser, Cairn Financial Advisers LLP, that the terms of the transaction are fair and reasonable insofar as the Company's shareholders are concerned.

Admission to AIM and Total Voting Rights

Application has been made for the Subscription Shares and Conversion Shares, which total 8,433,333,to be admitted to trading on AIM. It is expected that Admission of the Shares will become effective and that dealings will commence at 8.00 a.m. on or around 1 May 2020.

Following Admission of the Subscription Shares and Conversion Shares, the Company's enlarged issued share capital will comprise 70,082,543 Ordinary Shares of 1 pence each with voting rights in the Company. This figure 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 in the interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Following the issue of the Warrants, the Company will have 30,149,601 warrants outstanding.

IN-COUNTRY AND ASSET (OML 113) OVERVIEW

As with many nations around the world, Nigeria has not been shielded from the impact of COVID-19. Whilst the country has extended a lockdown to several major cities, this measure does not impact offshore drilling operations, which remain a strategic priority for the government.

In response to COVID-19, the partners and relevant stakeholders have adopted a set of new procedures for the crew on the floating production storage and offloading vessel ("FPSO"), including the following:

- reducing the frequency of crew changes for local workers and suspended crew changes for international workers until 30 April 2020 - a review will be conducted to assess the need for an extension to this timeframe;
- preparing dedicated isolation and quarantine space, as well as relevant training for all staff offshore in the event that a crew member on the vessel is suspected of contracting the virus; and
- implementing systems for onshore support in the event that a worker displays persistent symptoms, including evacuation to shore for testing and treatment, as required.

The Operators have confirmed that, to date, no employees have been suspected of showing COVID-19 symptoms and operations in the Aje Field have continued largely uninterrupted by the lockdown, with production levels remaining stable.

There has, however, been a dramatic reduction in the oil price in recent months and the Operators and Joint Venture Partners ("JV Partners") are looking at ways to mitigate the affect of this price reduction.

Operating Cost Reductions and Crude Storage

The JV Partners are currently in dialogue with service providers in an attempt to achieve significant cost reductions at an operating level. The Board expects to provide a further update in due course.

The JV Partners are also exploring the option of storing production from OML 113 on the FPSO, which has up to 700,000 barrels of storage capacity. This will enable the Company, and other parties in the Aje partnership, to take advantage of the forward curve where crude oil prices are set to recover in Q3-Q4 2020.

In January 2020, the Company announced that the project debt would be repaid after the 14th lifting scheduled for May 2020, subject to stable oil prices and operating conditions. As a result of the dramatic fall in oil prices, and the mitigating actions noted above, the JV Partners will not make this target. The Board will update the market in this respect once the joint operating partners have reached an agreement on mitigating actions and any associated reduction in project overheads.

Enquiries:

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Market Abuse Regulation (MAR) Disclosure

The notification below, made in accordance with the requirements of the EU Market Abuse Regulation, provides further detail.

Notification and public disclosure of transactions by persons discharging managerial responsibilities / person closely associated with them.

1.	**Details of the person discharging managerial responsibilities/person closely associated**	
a)	Name	Company directors/officers: 1. Peter Francis — Non-Executive Chairman 2. Osa Okhomina — CEO 3. Richard Carter — COO
2.	**Reason for the notification**	
a)	Position/status	See 1(a) above for all positions - all classified as PDMRs of the Company
b)	Initial notification/Amendment	Initial Notification
3.	**Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor**	
a)	Name	ADM Energy plc
b)	LEI	213800DY7G8EEJCCOL47
4.	**Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted**	
a)	Description of the financial instrument	Ordinary Shares of 1 pence each
b)	Identification code	GB00BJFDXW97
c)	Nature of the transactions	Purchase of Ordinary Shares
d)	Price(s) and volume(s)	Amount / Price 1. 1,041,667 / 1. 2.4p 2. 625,000 / 2. 2.4p 3. 416,666 / 3. 2.4p
e)	Aggregated information - Aggregated volume - Price	Price(s): 2.4p Volume(s): 2,083,333
f)	Date of the transactions	27 April 2020
f)	Place of the transactions	London Stock Exchange, AIM Market

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% profit interest in the Aje Field, part of OML 113, which covers an area of 858km² offshore Nigeria, and in February 2020 entered into an agreement with EER (Colobos) Nigeria Limited to acquire a further 4.2% profit interest. 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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