

Press Release



4 May 2023

Enwell Energy plc
("Enwell" or the "Company")

Arkona - Successful Appeal in SC Licence Case and Update on Regulatory Actions by Ukrainian Authorities

Enwell Energy plc (AIM: ENW), the AIM-quoted oil and gas exploration and production group, announces a successful appeal decision in the legal proceedings relating to its Svystunivsko-Chervonolutskyi exploration licence (the "SC Licence") in Ukraine, which is held by its subsidiary LLC Arkona Gas-Energy ("Arkona"), and an update on regulatory actions by Ukrainian Authorities.

Arkona - SC Licence

Since the Company completed the acquisition of Arkona in March 2020 (see announcement dated 24 March 2020), there have been a number of legal challenges relating to the SC Licence. As announced on 3 July 2020, PJSC Ukrnafta ("Ukrnafta"), as claimant, brought legal proceedings against Arkona, as defendant, in which Ukrnafta made claims asserting that irregular procedures were followed in the grant of the SC Licence to Arkona in May 2017. Ukrnafta also brought these proceedings against the State Geologic and Subsoil Survey of Ukraine (the "SGSS"). Both Arkona and the SGSS disputed these claims. In these proceedings, the First Instance Court in Ukraine made a ruling in favour of Ukrnafta, determining that the grant of the SC Licence was irregular, and accordingly, the SC Licence would be invalid. Arkona filed an appeal of this decision in the Appellate Administrative Court in Kyiv, and on 29 September 2020, the Appellate Administrative Court ruled in favour of Arkona, overturning the earlier decision of the First Instance Court. Ukrnafta filed a further appeal in the Supreme Court in Kyiv, and in February 2021, the Supreme Court ruled that the arguments raised by Ukrnafta in the appeal were not substantiated, and that the proceedings against Arkona should be dismissed. The decision of the Supreme Court represented the final appeal procedure in respect of these legal proceedings, and accordingly, these proceedings against Arkona were exhausted.

Prior to the Company's acquisition of Arkona, Ukrnafta had previously issued legal proceedings in 2018, raising substantially the same claims, which proceeded through the First Instance Court and Appellate Administrative Court, before a final appeal was determined by the Supreme Court in October 2019, in which Ukrnafta's claims were denied.

In April 2021, an entity named JV Boryslav Oil Company ("Boryslav"), which is 25.0999% owned by Ukrnafta, issued a further legal claim, also claiming that irregular procedures were followed in the grant of the SC Licence, which claim was denied by the First Instance Court in July 2021 and by the Appellate Administrative Court in October 2021. There was no further appeal in this case and so the decision of the Appellate Administrative Court in these legal proceedings is final.

In September 2021, Boryslav issued a further legal claim, again claiming that irregular procedures were followed in the grant of the SC Licence, against the SGSS, the State Commission of Ukraine for Mineral Resources ("SCP") and Arkona, as defendants, with Ukrnafta named as a third party. In this claim, the First Instance Court made a ruling in January 2022 in favour of Boryslav, and on 2 November 2022, the Appellate Administrative Court also made a ruling in favour of Boryslav to uphold the decision of the First Instance Court.

The Company appealed the decision of the Appellate Administrative Court to the Supreme Court, and on 3 May 2023, the Supreme Court published its decision to allow the Company's appeal and overturn the ruling made by the Appellate Administrative Court. The Supreme Court represents the final appellate court in these legal proceedings, and accordingly, the decision of the Supreme Court is final. Therefore, the SC Licence is valid.

The Company's announcements dated 24 March 2020, 3 July 2020, 31 July 2020, 30 September 2020, 23 November 2020, 11 February 2021 and 4 November 2022 provide additional information.

Regulatory Actions - UBO Registrations for Ukrainian Group Subsidiaries

On 2 May 2023, the Ministry of Justice of Ukraine made Orders (the "MoJ Orders") cancelling the registration entry made on behalf of three Ukrainian subsidiaries of the Company named LLC Prom-Enerho Produkt, LLC

Arkona Gas-Energy and LLC Well Investum respectively in the United State Register of Legal Entities, Individuals-entrepreneurs and Civil Institutions of Ukraine relating to the ultimate beneficial owners of such companies. The registration entry for each of these companies stated the ultimate beneficial owners to be the beneficial owners of the indirect majority shareholder of the Company as notified to the Company and published to the market on 26 January 2023, but the MoJ Orders removed each such registration entry and restored the previous entry in such Register, Vadym Novynskyi. As announced on 26 January 2023, the Company was notified that Vadym Novynskyi ceased holding a beneficial interest in the indirect majority shareholder of the Company on 1 December 2022. LLC Prom-Enerho Produkt holds the Vasyschevskoye ("VAS") production licence, LLC Arkona Gas-Energy holds the SC Licence and LLC Well Investum is a dormant company. The Company is now consulting with its legal advisers to understand the implications of these actions, and further information will be announced in due course.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014, which forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.

For further information, please contact:

Enwell Energy plc

Chris Hopkinson, Chairman
Sergii Glazunov, Chief Executive Officer
Bruce Burrows, Finance Director

Tel: 020 3427 3550

Strand Hanson Limited

Rory Murphy / Matthew Chandler

Tel: 020 7409 3494

Zeus Capital Limited

Alexandra Campbell-Harris (Corporate Finance)
Simon Johnson (Corporate Broking)

Tel: 020 7614 5900

Citigate Dewe Rogerson

Ellen Wilton

Tel: 020 7638 9571

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