

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF EU REGULATION 596/2014 (WHICH FORMS PART OF DOMESTIC UK LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

14 November 2023

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

Financing Update and Debt and Asset Restructuring

ADM Energy PLC (AIM: ADME; BER and FSE: P4JC), a natural-resources investing company, provides the following update in respect of its financing, debt and asset restructuring exercise ("the Restructuring") that has been supported by its major shareholders.

Highlights

- OFX Holdings, LLC, ("OFXH") a substantial shareholder, has supported the Company as it completes further agreements with trade creditors, resulting in significantly reduced liabilities.
- As a result of the transactions described herein, total debt has been reduced by approximately £1.1 million in combination of discounted debt settlements and equity transactions.
 - Total reduction to original value of debt of £432,100 resulting in increase in net asset value for benefit of shareholders.
 - £204,918 in debt reduction related to amendments to Blade Oil V, LLC transaction originally announced 25 May 2023.
 - Remainder of debt settled as to £125,760 in cash and £346,650 by issuance of 27,885,000 ordinary shares.
- Further to the announcement of 25 May 2023 regarding subscriptions for the Secured Convertible Loan Note ("SCLN") issued by ADM Energy (USA), Inc. for US\$900,000, US\$425,000 has now been received in cash with the balance of funds expected over next 90 days.
- Terms of the SCLN have been amended (further details below) to attract additional capital to advance the business development objectives of the Company and to allow proceeds to be used in wider applications.
- OFXH, pursuant to its existing loan agreements, advanced an additional net US\$70,000 in cash to the Company in the second half of 2024. In order to focus on the Altoona lease, part of the Blade Oil V, LLC ("Blade V") investment announced on 25 May 2023, the Company has returned the Texas and Kansas leases included in the Blade V investment, resulting in a reduction of US\$406,850 of total maximum consideration associated with the transaction including US\$250,000 (circa £205,000) of the total debt reductions announced in this RNS.

Debt Restructuring

The debt restructuring exercise carried out by the Company comprises the following component parts:

i) Settlement of Certain Trade Creditors

The Company has entered into agreements to settle £709,280 original value of certain outstanding trade and other creditors for £369,570 of which £101,170 has been paid in cash with £147,750 remaining to be paid in installments over time and the issuance of 12,065,000 ordinary shares (the "Settlement Shares") resulting in a reduction of creditors of £339,710 or 48% of the original value settled (the "Trade Creditor Settlement").

ii) Debt restructuring with OFX Holdings, LLC

Amendment to Blade Oil V, LLC Acquisition

Further to the announcement of the acquisition of Blade V on 25 May 2023, the Company has agreed with OFXH to amend the terms of the transaction in order for it to focus on developing cash generating assets as a priority. The amendments to the Blade V transaction are as follows:

- a) The Company will retain the interest in the Altoona lease;
- b) The interest in the Texas and Kansas leases are reassigned to the Seller;
- c) The following adjustments are made to the Total Maximum Consideration (as defined in the RNS dated 25 May 2023):
 1. The Seller (OFX Holdings, LLC) will cancel US\$250,000.00 in debt obligations owed to it by the Company;
 2. The Seller will terminate US\$150,000.00 of the Contingent Payment; and,
 3. The Company and Seller have agreed to terminate 7 million 2-year, 2.5p warrants.

As a result of the changes to the Blade V investment, the total maximum consideration associated with the transaction reduces from US\$1,614,000 to US\$1,207,160. Further, given this reduction, the Company is in discussions with OFXH regarding the possible investment in a company operating in the oil and gas technology sector which the Company considers has greater short term cash generation prospects than the returned leases.

Further Debt Settlement of OFX Holdings, LLC Loans

Additionally, the Company and OFXH have agreed to discount and restructure US\$275,720 of loans due to OFXH (the "Debt Conversion Settlement") as follows:

- a) Issue 15,820,000 ordinary shares (the "Conversion Shares") at a nominal value of 1p per share;
- b) Issue 7,910,000 3-year, 1.5p warrants.

The Debt Conversion Settlement has been undertaken on the same terms as other creditor settlements and, in the event of a change to the terms of the settlement, all converting creditors will be treated equally.

Other Disclosures Related to OFXH Holdings, LLC

- In the second half of 2023, under the terms of its existing loan agreements, OFXH advanced a net US\$70,000 in cash to the Company, and forgave US\$60,000 in short-term loans, to partially fund the creditor settlements described above and for general working capital purposes.
- OFXH has funded US\$125,000 toward its US\$250,000 commitment to the Secured Convertible Loan Note announced 25 May 2023 and has reaffirmed its commitment to fund the remaining US\$125,000 within 90 days.
- As part of these negotiations and in light of funding for the Company coming from OFXH, OFXH has settled approximately £102,000 in creditors on behalf of the Company via the assignment of 20,400,000 shares held by OFXH to the creditor on behalf of the Company.
- As consideration for monies advanced by OFXH to help the Company fund the Trade Creditor Settlement, the Company and OFXH agreed to a US\$35,000 Creditor Restructuring Fee to be capitalised and added to the amount due and the award to OFXH of 26.5 million 3-year, 1.5p warrants.
- The Company and OFXH are working on additional transactions related to settlement of debt owed to OFXH, the assets in which the Company and OFXH share ownership and other assets and business interests owned by OFXH.

Consolidation of OFXH Loans

Following the reorganisation noted above, the Company has remaining outstanding loan advances due to OFXH of US\$337,500 (the "OFXH Loans"). The Company and OFXH have agreed that the OFXH Loans will be consolidated into a new loan facility (the "Consolidated Loan") to replace all previous loan facilities with OFXH. The key terms of the new loan facility are:

Borrower:	ADM Energy (USA), Inc.
Maturity:	31 December 2025
Interest Rate:	15.0% per annum
Payments:	Monthly amortisation, in arrears starting February 2024.

The other terms of the Consolidated Loan remain in line with the OFXH Loans as previously announced.

iii) Amendments to the Secured Convertible Loan Note

On 25 May 2023, the Company announced that it had received subscriptions for the SCLN totalling US\$900,000 which would be settled in due course. Of the total amount subscribed for, the Company has received a total of US\$425,000 in gross proceeds to date and expects to receive the balance subscribed for within ninety days. Only the SCLNs that have been paid for have been issued.

The terms of the SCLN, which have previously been announced, have been amended by mutual agreement between the Company and holders of the SCLN pursuant to the original terms of the SCLN, as follows:

- a) The requirement to use 100.0% of the proceeds to fund development of the Altoona lease has been replaced with the following:
 - a. The Company must use a minimum of 50.0% of the gross proceeds from the SCLN to fund development of projects held by or investments in the business interests of ADM Energy (USA), Inc.
 - b. The Company may use up to 30.0% of the gross proceeds from the SCLN to fund general working capital requirements of the Company.
 - c. The Company may use up to 20.0% of the gross proceeds from the SCLN for debt repurchased at, at least, a 50% discount.
- b) The Interest rate has been increased from 8.0% to 15.0% per annum to align it with the Consolidated Loan.
- c) The equity conversion price has been lowered from 1.2p per share to 1.0p per share.
- d) The 1.25% over-ride royalty interest to be granted in the Altoona lease has been replaced by a 10.0% net profits interest in the pre-tax profits of ADM Energy (USA), Inc.

The restructuring of the SCLN has occurred as a result of the Company's focus on debt reorganisation and short term cash and value generation, which includes the change in the Blade V assets and potential further investment. The Board of Directors of the Company believe that the amended terms of the SCLN will enable the Company to attract additional capital to further the projects and investment objectives of the Company while providing flexibility to the Company in managing its working capital and other obligations.

Restructuring Fee

Ventura Energy Advisors, LLC, ("VEA") a related party of OFX Holdings, LLC, is to be paid a US\$50,000.00 restructuring fee ("Restructuring Fee") in conjunction with its services related to the creditor restructuring transactions described above. The Restructuring Fee will be paid by issuance to VEA of US\$50,000 in Secured Convertible Loan Notes.

Related Party Transactions

As part of the Restructuring, various agreements with OFXH noted above have been entered into or amended including, inter alia, the amendment to the Blade V investment, the Debt Conversion Settlement, settlement of creditors on the Company's behalf, the Restructuring Fee, Creditor Restructuring Fee, the Consolidated Loan and the issue of warrants constitute related party transactions for the purposes of AIM Rule 13. The Company's Directors consider having consulted with the Company's nominated advisor, Cairn Financial

Company's 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.

The SCLN has been subscribed to by OFXH and Hessia Group Limited (both substantial shareholders) and Oliver Andrews and Stefan Olivier (a former and current director respectively) and, accordingly the amendment the SCLN constitutes a related party transaction for the purposes of AIM Rule 13. The Company's 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 Settlement Shares, Conversion Shares and Award Shares, which total 27,885,000 new ordinary shares and which will rank pari passu with the Company's existing ordinary shares, to be admitted to trading on AIM ("Admission"). It is expected that Admission of the New Ordinary Shares will become effective and that dealings will commence at 08.00 am on or around 17 November 2023.

Following Admission, the Company's enlarged issued share capital ("Enlarged Issued Share Capital") will comprise 397,673,614 ordinary shares of £0.01 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 issuance of the Conversion Shares, OFX will hold 34,551,334 ordinary shares of ADM Energy plc representing 8.7% of the Enlarged Issued Share Capital of the Company on Admission.

Stefan Olivier, CEO of ADM Energy, commented, "The transactions announced today are significant for the Company and its shareholders as they result in over £1 million of debt reduction and a direct increase in net asset value for benefit of shareholders. The support demonstrated by our large shareholders, Hessia Group Limited and OFXH, in terms of additional funding and settlement of debt has been and remains a significant source of strength and stability for ADM. ADM will enter 2024 in a much stronger position than it did in 2023 to advance the business interests of the Company."

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About ADM Energy PLC

ADM Energy PLC (AIM: ADME; BER and FSE: P4JC) is a natural resources investing company with an existing asset base in Nigeria and the United States. ADM Energy holds a 9.2% profit interest in the oil producing Aje Field, part of OML 113, which covers an area of 835km² 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 also has interest in an oil and gas lease in the U.S. state of California.

ADM Energy is committed to maximizing long-term value from its existing asset base in Nigeria while targeting other investment opportunities in the oil and gas sector with attractive risk reward profiles such as proven nature of reserves, level of historic investment, established infrastructure and route to early cash flow.

About OFX Holdings, LLC

Formerly, Tennessee Black Gold LLC, OFX Holdings is a private U.S. investment company led by Claudio Coltellini, an Italian national who for the last 15 years has invested in U.S. oil and gas and leads four private companies with assets in the states of Texas, Louisiana, Kansas and California.

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