

26 June 2024

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

US Oil and Gas Investment
Financing and Debt Conversion

ADM Energy PLC (AIM: ADME; BER and FSE: P4JC), a natural resource investing company, is pleased to announce the investment in Vega Oil and Gas, LLC (**Vega**), a Texas Limited Liability Company with assets in Moore County, Texas, by ADM Energy (USA), Inc., a wholly owned subsidiary of the Company (**ADM USA**). The Company further announces that ADM USA has entered into a financing agreement for US\$600,000 with OFX Holdings, LLC, (**OFXH**) a substantial shareholder of the Company; and ADM Energy PLC entered into debt conversion agreements, totalling £532,752.

Highlights:

- New investment by way of an acquisition of 100% of the membership interest (equity) of Vega with an interest in three wells in Moore County, Texas with an average Net Revenue Interest of approximately 80%. The transaction is being funded by a US\$150,000 capital commitment by ADM USA, a US\$100,000 borrowing facility from a private, third-party US lender and the issuance of 20 million, 5-year warrants in the Company with an exercise price of 1.0 pence.
- Financing agreement with OFXH, a substantial shareholder of the Company, providing for up to US\$600,000 in financing to ADM USA of which US\$225,000 has already been received pursuant to a loan with an interest rate of 12.0% per annum (the "**Initial Advance**").
- The use of proceeds of the Initial Advance are as follows:
 - US\$80,000 advanced from ADM USA to the Company; and
 - US\$145,000 to fund investments and capital contributions by ADM USA in Vega or other assets.
- Debt-for-Equity conversion agreements for a total of £532,752 with OFXH, Ventura Energy Advisors, LLC (**Ventura**) and Catalyse Capital Ltd ("**Catalyse**") resulting in an aggregate corporate debt reduction of £532,752.

Vega Oil and Gas Investment

The Company is pleased to announce the investment by way of an acquisition of 100% of the equity interest of Vega with the associated economic interest in certain wells (the "**Vega Wells**") as highlighted in Table 1.0 below with an effective date of 1 June 2024:

| | SNEED 3 & 4 CONSOLIDATED | T G THOMPSON 73-2 |
|-----------------------------------|-----------------------------|---------------------|
| LEASE NUMBER | 06372 | 09503 |
| LOCATION | Moore County, Texas | Moore County, Texas |
| NUMBER OF WELLS | 2 | 1 |
| WORKING INTETREST | 100.000% | 100.000% |
| NET REVENUE INTEREST | 76.352337% | 84.8750% |
| OVER-RIDE ROYALTY INTEREST | 1.08333% | - |

Table 1.0. Details and economic interests of the Vega wells.

The Vega Wells, in aggregate, produced an average of 26 barrels of oil per day (net to the interest of Vega) in January, February and March 2024 but are temporarily shut-in awaiting completion of a new tank battery. The Company plans to invest in the construction of a new tank battery, work-over the Vega wells and restore production in the near term.

ADM USA Financing Agreement

To finance cash requirements associated with the Vega transaction and other purposes, ADM USA has entered into a financing agreement with OFXH, a substantial shareholder of the Company, which provides for up to US\$600,000 in financing (the "**Total Financing**") to be made available to ADM USA and of which the Initial Advance of \$225,000 has already been received.

Estimated use of the Total Fundraising, of which up to a total of US\$200,000 will be made available to the Company from ADM USA, is as follows:

- Approximately US\$400,000 will be used to fund investments and capital requirements of ADM USA (including the US\$150,000 associated with the Vega transaction), comprising:
 - Approximately US\$200,000 may be used to finance further investments and as growth capital to expand the ADM USA's investment, announced 8 April 2024, in JKT Reclamation, LLC (**JKT**). Such investment may include the expansion of the existing facility at Wilson, Oklahoma or to fund certain costs and investments necessary to acquire, equip or initiate operations at a second reclamation facility currently being planned in the State of Texas.
- Approximately US\$200,000 to finance investments that may include additional investment in Efficient Oilfield Solutions, LLC ("**EOS**").

The use of proceeds of the Initial Advance are as follows:

- US\$80,000 to be made available to the Company from ADM USA; and
- US\$145,000 to fund investments and capital contributions by ADM USA including an initial US\$60,000 advance to Vega.

Debt-for-Equity Conversions

Furthermore, debt-for-equity conversion agreements ("**Debt-for-Equity**") have been reached with OFX Holdings, LLC; Ventura Energy Advisors, LLC; and, Catalyse Capital, Ltd. for the conversion of a total of £532,752 in debt and accrued and unpaid interest into ordinary shares in the Company at a price of 1.0p per share as follows.

- OFXH has agreed to convert all remaining debt due by ADM to OFXH to the total of £270,752 for 27,075,200 ordinary shares;
- Ventura has agreed to convert £162,000 of outstanding debt and accrued interest into 16,200,000 ordinary shares and;
- Catalyse has agreed to convert £100,000 in outstanding debt and accrued interest into 10,000,000 ordinary shares. In addition, Catalyse has been issued with 10,000,000 ordinary shares at 1.0p per share comprising 5,000,000 ordinary shares associated with the restructuring of its existing debt obligations and an additional 5,000,000 ordinary shares associated with further restructuring and advisory services to the Company. The outstanding debt owed to Catalyse has been restructured to be paid by 30 September 2024. As a result of the above debt conversions and liability terminations, aggregate corporate debt has been reduced by a total of £532,752 and resulted in the issue of 53,275,200 ordinary shares ("**Conversion Shares**") in the Company at a price of 1.0p per share and fees totalling £100,000 due to Catalyse have been settled by the issue of an additional 10,000,000 shares ("**Fee Shares**").

Related Party Transactions

The debt reduction and issuance of the Conversion Shares to both OFXH and Ventura (a company controlled by Randall Connally) and the financing agreement with OFXH are related party transactions pursuant to the AIM rules. With the exception of Claudio Coltellini and Stefan Olivier, the directors of the Company consider, having consulted with its nominated adviser, Cairn Financial Advisers LLP, that the terms of the debt reduction and the issue of Conversion Shares to OFXH and Ventura are fair and reasonable insofar as its shareholders are concerned.

Admission Details and Share Capital following the Financing and Debt-for-Equity Conversions

Application has been made for the Conversion Shares and the Fee Shares, totalling 63,275,200 ("**Deal Shares**") to be admitted to trading on AIM. It is expected that Admission of the Deal Shares will become effective and that dealings will commence at 8.00 a.m. on or around 27 June 2024.

Following Admission of the Conversion Shares and the Fee Shares, the Company's enlarged issued share capital will comprise 627,863,811 Ordinary Shares of 1.0 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.

Adjusted for the issuance of these new shares, on Admission, OFXH will hold a total of 123,744,367 ordinary shares representing 19.7% of the enlarged share capital of the Company.

Warrants in issue

Following the above issue of Warrants the total number of Warrants in issue is 134,373,626 equating to 17.6% of the Company's enlarged share capital assuming full exercise of all warrants.

Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

Commenting on the equity financing and debt conversion Stefan Olivier, CEO, stated: "The additional equity financing and debt conversion announced today by OFXH and other key stakeholders strengthens ADM's balance sheet further as we continue to prioritise near-term cashflow generative projects and investments."

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About ADM Energy PLC

ADM Energy PLC (AIM: ADME; BER and FSE: P4JC) is a natural resources investing company with investments including a 30.6% economic interest in JKT Reclamation, LLC; a 46.8% economic interest in OFX Technologies, LLC (www.ofxtechnologies.com); and a 9.2% profit interest in the 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.

About JKT Reclamation LLC

JKT Reclamation is the owner of a 20-acre facility in Wilson, Oklahoma with fixed assets including a workshop and office structure, ten 410-barrel storage tanks and other related separation and material handling equipment. In addition to the property, plant and equipment, other assets include two proprietary chemical formulae with additional potential commercial applications. JKT management believe its proprietary chemicals give JKT two key competitive advantages over other similar facilities because:

- JKT's chemical-based process does not require use of a centrifuge, which are expensive to operate and maintain, the operating costs required to process and recover saleable oil are lower than they would be if a centrifuge were employed in JKT's process; and,
- JKT owns its chemical formulae, JKT does not have to purchase similar, commercially available chemicals, resulting in substantial cost savings to JKT.

JKT management believe the combination of these two advantages allows JKT to achieve substantially higher operating profit margins than similar facilities and that, long term, JKT can use this cost advantage to increase its market share in its service area.

Forward Looking Statements

Certain statements in this announcement are, or may be deemed to be, forward-looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward-looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

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