

28 June 2024

Beacon Energy plc
("Beacon Energy" or the "Company")
Corporate Update

Beacon Energy (AIM:BCE), the full-cycle oil and gas company with a portfolio of onshore German assets through its wholly-owned subsidiary, Rhein Petroleum GmbH ("Rhein Petroleum"), provides the following corporate update.

- The SCHB-2 well continues to intermittently produce a combination of oil, gas and water using an electrical submersible pump ("ESP"). The continued production of water (which is likely to be completion fluid, spent acid and losses from the side track and original well bore) combined with pressure data suggests the well continues to clean-up.
- While a stabilised rate has yet to be achieved, management continue to believe that production from the SCHB-2 well is likely to stabilise in the 50 - 100 barrels of oil per day ("bopd") range.
- Production in this range, when combined with existing production from SCHB-1 and Lauben (approximately 30 bopd), is estimated to generate gross revenues of €2.3 - 3.7 million per annum (at US\$85/bbl Brent).
- The Company has undertaken a thorough review of the Rhein Petroleum cost base in order to maximise cash generation. Cost reduction measures are anticipated to reduce Rhein Petroleum's annual cash operating costs from approximately €2.5m currently to approximately €1.3m. Such cost reduction measures are likely to take 3 - 6 months to realise.
- The Company has also engaged with approximately 90% of the creditors of Rhein Petroleum with the aim of agreeing a reduction in liabilities and a deferred payment plan based on future cash flow generation of Rhein Petroleum. The Company expects Rhein Petroleum to enter into a formal process with its creditors shortly which provides for an up to three-month negotiation period.
- As part of the broader cost reduction measures, Larry Bottomley and Stephen Whyte have agreed to leave the Company's board. As a result, the board will comprise Mark Rollins (Non-executive Chairman), Stewart MacDonald (CEO), Ross Warner (Independent Non-executive Director) and Leo Koot (Non-executive Director).

As previously disclosed, as a result of the current uncertainties outlined above and the uncertain impact on assets impairment and going concern in the accounts, the Company will not be in a position to finalise and publish its Annual Report for the year to 31 December 2023 ("Annual Report") by 30 June 2024, as stipulated by Rule 19 of the AIM Rules for Companies (the "AIM Rules"). The Company is targeting the publication of the Annual Report as soon as practically possible which is likely to be during the first half of August 2024.

As a result, trading in the Company's ordinary shares on AIM will be suspended with effect from 07:30 a.m. on 1 July 2024 pending publication of the Annual Report. It is expected that suspension from trading will be lifted with the publication of the Annual Report.

Stewart MacDonald, CEO of the Company, said:

"We have moved quickly to identify and implement a very material cost reduction strategy aimed at maximising cash generation from Rhein Petroleum."

"Discussions with the Rhein Petroleum creditors have been very constructive. We are focused on a plan which seeks to re-phase liabilities such that they can be funded from Rhein Petroleum's future cash flow."

seems to re-phase narratives such that they can be jettisoned from interim statements & future earnings flow.

Mark Rollins, Chairman of the Company, said:

"I would like to take this opportunity to thank Larry and Steve for their valuable contributions to Board deliberations. Our thanks go especially to Larry for stepping into the CEO role in early 2022 and leading the Company through the reverse takeover and subsequent re-listing of the Company in 2023."

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