

Pennpetro Energy PLC
("PPP" or "Pennpetro")

Significant Revenue Deal Signed on Texas Oil Assets

and

50/50 Texas Lithium and Gas Joint Venture

London, 17 July, 2024 - Pennpetro Energy PLC (LSE: PPP), has now signed a very significant and transformative deal Heads of Terms ("HOT") with Globalvision International U. LDA ("Globalvision") , an energy trading business based in Madeira, whereby they will buy all of the shares in Pennpetro's subsidiary in Texas Nobel USA Inc ("Nobel") in exchange for a life of asset currently estimated at around 30 years oil sales revenues through a 12.5% Overriding Royalty Interest ("ORI") on the Texan oil wells - City of Gonzales #1 well, Chalk Talk #1 well, Chalk Talk #4 well and Whistling Straits #5 well in Gonzales and a 10% profit share on any other wells drilled or developed within PPP's 2,036 acres in Texas.

In addition, Globalvision will take over all creditors that existed in Texas leaving Pennpetro completely free of any financial obligations associated with Texas.

Very importantly on the lithium and gas front, the HOT sets out an arrangements with Globalvision to acquire 50% of Nobel Petroleum LLC ("NPLLC") for a 50/50 Joint Venture ("JV") where the parties seek to assess the scope for developing gas production from the AML with ESGY Energy Inc ("ESGY"), and also importantly to assess the potential to produce lithium from any well in the AML over the life of the project term.

Pennpetro announced the ESGY transaction on November 2022, when it signed a Heads of Terms ("HoT") agreement with ESGY for a proposed petroleum joint venture covering multiple counties in East Texas. Pennpetro's Nobel would enter into a Joint Venture and Standard-Form Joint Operating Agreement with ESGY pursuant to which Nobel will be responsible for up to 75% of the cost to drill and complete two exploration wells ("Commitment Wells") to a depth sufficient to test certain shallow gas seismic prospects for early production. Nobel would be appointed as the Operator and will carry ESGY for 12.5% working interest of the cost to drill and complete each well to the tanks and ESGY will have the right to back-in for a further 12.5% working interest after Nobel fully recovers its expenditures.

Nobel will select the Commitment Wells from ESGY's inventory of more than 300 shallow gas prospects, further defined as those seismic anomalies identified from a major Exxon 2-D seismic dataset in the north Houston salt dome and adjoining counties of Texas, as well as Rapides Parish and adjoining parishes of Louisiana. Nobel will further select an additional twenty-eight shallow gas prospects ("Highgraded Prospects") in which Nobel will be granted a Right of First Refusal ("ROFR") by ESGY.

Upon fulfilling its obligations by the drilling of the Commitment Wells, Nobel will have earned the Right of First Refusal ("ROFR") with respect to the Highgraded Prospects and an additional right to participate in other like prospects, under the same participation terms as the Commitment Wells, within the East Texas Shallow Gas Play Area on the same terms and conditions as agreed between the parties relative to the first thirty prospects.

Both parties are aiming to complete the transaction by month end (subject to completion of formal documentation) with Globalvision planning to start optimisation works on the oil wells associated with the 12.5% ORRI to commence at the beginning of August with oil production to commence within the coming months.

Tom Evans, Pennpetro Energy's CEO said:

"This deal really does add very significant value to Pennpetro shareholders. Since assuming the 100% working interest over the wells and operations from Millennium Petrocapital Inc in Gonzales County in Texas back in July 2023, PPP have sought to add value to the acreage. It's been a rocky ride to date but this transaction completely de-risks any capital expenditure needed to increase production, but still provides us with the massive benefit and

de-risks any capital expenditure needs to increase production, but still provides us with the massive benefit and leverage of all future works undertaken on the licences for the next circa 30 years. Given the current estimated life of the wells at 20 years plus, it secures PPPs future for many years to come. Shareholders should not underestimate the material value of receiving a ORRI on oil production from these wells. There is a lot of oil in these 2,036 acres and we will rank equally with the landowners with this ORRI and receive monthly revenue income from all oil sales from Texas once production recommences. We are hopeful to see oil production starting within months."

"Globalvision will also clear or come to arrangements with Pennpetro's US creditors, which really does clean up our balance sheet. They plan to optimise all 4 x 12.5% ORRI wells to production as quickly as possible, which will be a very big step forwards for the project.

The Company is also very excited about the potential for the AMI on the Gulf Coast region to produce gas and home-grown USA lithium from the wells. Big companies in Texas, such as Standard Lithium, Albemarle Corporation, Koch Industries and Tesla are already making big strides to fund future lithium production and refining from oil wells in Texas, and we see our 50/50 JV here as having real potential to add a lot of future value to Pennpetro shareholders in time."

Robert Menzel, CEO of Globalvision International, also stated:

"It has been a pleasure negotiating with management of Pennpetro on the acquisition of Nobel Petroleum USA Inc, who have done an excellent job in acquiring an exceptional oil lease package in Texas in the heart of the Austin Chalk oilfields and creating what we see as a potentially very profitable, viable and long-life asset with the basis for long-term sustainable future oil production. We at Globalvision look forward to expanding from these solid foundations and taking Nobel to new heights and welcome Pennpetro on closing this transaction as an important stakeholder and partner in this transaction."

-ENDS-

This announcement contains inside information within the meaning of Article 7(1) of (i) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, as amended (the "EU Market Abuse Regulation") and (ii) the EU Market Abuse Regulation as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018.

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