

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

Pennpetro signs Sale and Purchase Agreement on Texas Oil Assets

London, 1 August, 2024 - Pennpetro Energy PLC (LSE: PPP), is pleased to advise that it has executed the Sale and Purchase Agreement ("SPA"), with Globalvision International U. LDA ("Globalvision") yesterday for the sale of Pennpetro's subsidiary in Texas, Nobel Petroleum USA Inc ("Nobel") and for the establishment of the 50/50 gas and lithium Joint Venture with Pennpetro's Nobel Petroleum LLC

Pennpetro announced on the 17 July 2024, that both parties were aiming to complete the transaction by month end. This was achieved yesterday evening with the signing of the SPA by both parties and with the SPA dated 31-07-2024 and being signed after UK business hours.

Globalvision have advised that they plan to start optimisation works on the oil wells associated with the 12.5% ORRI (referred to in more detail below) in early August and as announced on 22 July that Houston Texas based drilling contractor, J&J Drilling International LLC, have been engaged by Globalvision to start in early August to work on the oil wells in Gonzales County, Texas. Globalvision already have people on the ground engaged in preparation for works to commence in coming days, this will be further enhanced by their senior management arriving on location in the coming days.

On the 17 July, Pennpetro announced it had signed a very significant and transformative Heads of Terms ("HOT") with Globalvision International U. LDA ("Globalvision"), an energy trading business based in Madeira, whereby they would buy all of the shares in Pennpetro's subsidiary in Texas Nobel Petroleum 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 would take over all creditors that existed in Texas leaving Pennpetro completely free of any financial obligations associated with Texas.

Also, as part of the transaction, and very importantly on the lithium and gas front, the HOT set out 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 back in on November 2022.

That ESGY deal provided for Nobel selecting 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 could further select an additional twenty-eight shallow gas prospects ("Highgraded Prospects") in which Nobel would be granted a Right of First Refusal ("ROFR") by ESGY. Upon fulfilling its obligations by the drilling of the Commitment Wells, Nobel would earn 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.

Tom Evans, Pennpetro Energy's CEO said:

"The signing of the SPA with Globalvision is a tremendous step forward in this deal for Pennpetro shareholders, it materially de-risks our involvement in these excellent Texas oil assets and gives us significant upside on oil production from a rich piece of Texan oil real estate. As I've mentioned previously, the last 12 months has been a

rocky and difficult ride for the Company and with this deal, we can see massive benefits and leverage on all future works undertaken on these oil licences for the next circa 30 years. Given the current estimated life of the wells in the area at 20 years plus, it potentially secures and underpins PPPs future for many years to come. With our Over Riding Royalty Interest (ORRI) in this deal, we will rank equally with the landowners and receive monthly revenue income from all oil sales from Texas once production recommences. We are hopeful to see oil production and PPP revenues starting within months."

"I personally will be travelling to Texas in short order to assist with the Nobel asset handover to Globalvision and start work on our very exciting gas and lithium JV."

-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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