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Corcel PLC  
("Corcel" or the "Company")

## Brazilian Gas Production Acquisition - Option Agreement

18 November 2024

**Corcel Plc (London AIM: CRCL)**, the pan Angola-Brazil focused energy company, is pleased to announce that its wholly-owned subsidiary, CRCL Brazil Ltd, has entered into a binding option agreement (the "Option") with Petrobom Óleo e Gás S.A. ("Petrobom") to acquire i) a 20% interest in the IRAI gas field, ii) a Right-of-First Refusal ("ROFR") over the remaining 80%, and iii) another ROFR for 100% of the adjacent TUC-T-172 exploration block ("IRAI Opportunity"), located in the state of Bahia, onshore Brazil.

### Highlights:

- Option represents the first step in Corcel's Brazilian onshore acquisition strategy, diversifying investor risk, bringing initial production, and generating cashflow with minimal dilution to shareholders
- IRAI gas field, in production since 2018, has produced 390,000 BOE (63,972,218 m<sup>3</sup>) of gas from three wells
- One well is currently online, producing 117 BOEPD (18,660 m<sup>3</sup>/day in October 2024), with two others shut-in pending workover operations
- Field production is highly profitable, with high expected netbacks and payback on well investments within months
- Expected peak production from the IRAI gas field full field development could average >1,000 BOEPD
- IRAI gas is currently sold to one of Brazil's largest gas trading company, with significant upside potential through increased offtake volumes
- Corcel will fund two workover operations on the shut-in wells, expected to begin in Q1 2025, targeting to boost production to an average of 188 BOEPD (30,890 m<sup>3</sup>/day) throughout 2025
- Following workover results, the Company may elect to exercise the Option or be repaid in full for the funding of the two workover wells.
- Corcel will also have a ROFR to acquire the remaining 80% interest in the IRAI gas field and 100% of the adjacent 182km<sup>2</sup> TUC-T-172 exploration block.

**Geraldine Geraldo, Corcel's Chief Commercial & Strategy Officer, commented:** *"The IRAI Field and TUC-T-172 Option marks an exciting entry into Brazil, demonstrating our ability to secure value-enhancing deals in the Brazilian onshore sector to complement our Angola exploration strategy. This positions us perfectly to capitalise on the abundant opportunities that have risen from the secondary market, resulting from the Petrobras onshore divestments, paving the way for an accelerated acquisition journey of more high-potential producing onshore oil and gas fields in Brazil."*

### Transaction Overview:

The Option requires the Company to provide a loan of approximately US 550K to Petrobom for two workovers in Q1 2025. If the Option is not exercised, the loan will be repaid in full.

Should the Company decide to exercise the Option, upon doing so, the Company will advance a capped US 2.95MM for additional development activities over a two-year period, in two tranches. The first tranche of US 850K will fund one development well in the first half of 2025. A follow-on funding H1 2026 of US 2.1MM will support further development through mid-2026.

The Company will be entitled to cashflow distributions upon funding the first tranche, expected Q1 2025, with a temporary additional 10% interest in cashflows to accelerate repayment of the funding. This cashflow and revenue generation from the sale of the gas will create the possibility for providing the investment through debt or project financing at the asset level, as well as potential in-kind investment through the recently announced Conterp Collaboration Agreement, thus minimising dilution to shareholders.

### Petrobom Asset Overview:

The IRAI gas field is located in the Tucano Sul Basin, about 110km NW of Salvador. IRAI is particularly attractive due to the shallow nature of the gas reservoirs, with producing gas zones ranging in depth from 220-825m across the field area. This, combined with the relatively high gas production rates seen in the field, with the EI-3 well peaking at >40,000m<sup>3</sup>/day (250 BOEPD) of gas, provides the Company with a unique opportunity to materially increase production and revenue generation at low rates of expenditure. Gas reservoirs at IRAI are of good quality, with an average of 13m of net pay and 23% porosity.

### Figure 1 : IRAI and TUC-T-172 Concession Map

The adjacent TUC-T-172 exploration block offers additional upside potential. The structural trend that defines the IRAI Field has been mapped by the Company to continue into the TUC-T-172 block. The Company is evaluating the potential of drilling a continuation of the IRAI trend in TUC-T-172 in 2026.

### Corcel's Strategy:

- High-potential exploration well in block KON 16 (H2 2026), targeting post-salt and pre-salt prospects, following 2D seismic campaign in 2025
- High-potential exploration wells in blocks KON 11 and KON 12 (H2 2026), targeting post-salt prospects, following 2D

seismic campaign in 2025

- Reactivation of Tobias (block KON 11) and Galinda oil (block KON 12); Tobias Field re-activation in progress with ongoing engineering work on TO-13 and TO-14 wells
- Progressive low-cost strategic acquisition of producing onshore oil and gas fields in Brazil. Onshore Brazil remains a significant hydrocarbon province, producing approximately 258M BOE per day.

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### **About Corcel**

Corcel has a notable oil and gas portfolio in onshore Angola that includes brownfield redevelopment opportunities and significant exploration upside.

Corcel's Angola portfolio consists of interests in three licences:

- KON - 16 Operated - 55% working interest - 49.5% net to CRCL
- KON - 11 Non-Operated - 20% working interest - 18% net to CRCL
- KON - 12 Non-Operated - 25% working interest - 22.5% net to CRCL

### **Qualified Persons Statement:**

Richard Lane, a Geologist with over 16 years of relevant experience in the oil and gas industry and member of The Geological Society of London, has reviewed this announcement for the purposes of the current Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in June 2009.

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