

28 November 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.

- Reservoir performance from the SCHB-2 well continues to disappoint with current production of approximately 45 bopd, a decline of approximately 20% since the installation of a rod pump in early September 2024
- Notwithstanding the material cost reduction initiatives previously disclosed, production at these levels places doubt on the future financial viability of Rhein Petroleum, absent material capital investment
- As previously disclosed, Beacon Energy had put forward a fully financed restructuring plan to the Rhein Petroleum creditors aimed at maximising cash generation from the Rhein Petroleum business and delivering value for creditors
- Given the production declines seen at the SCHB-2 well, Beacon Energy has been unable to put forward a restructuring offer which is agreeable to the Rhein Petroleum creditors
- The Company has now been informed by Rhein Petroleum's creditor representative that it has agreed to sell certain assets of Rhein Petroleum to a third party (with completion expected in early January 2025), following which Rhein Petroleum would be expected to be liquidated (the "Proposed Liquidation")
- As previously disclosed, Beacon Energy has not provided any parent company guarantees related to the debts of Rhein Petroleum (approximately €7.5 million)
- As a consequence of the Proposed Liquidation of Rhein Petroleum, Beacon Energy is expected to become an AIM Rule 15 cash shell in early January 2025
- As a result of material cost reduction initiatives previously announced and assuming the Proposed Liquidation proceeds as expected, the Board believes it has sufficient liquidity to progress new business development through to end Q2 2025
- The Company's strategy continues to be the creation a self-funding oil & gas production company taking advantage of growth opportunities resulting from industry players as they reshape their portfolios
- By concentrating on cash-generative assets and capitalising on the current deal pipeline, the Company aims to lever the time and cost expended in assessing potential new ventures over the last year built on the Board's extensive industry relationships. The opportunities the Company is assessing across Europe, Africa and the Far East are suitable for debt or vendor financing, and the Company will continue its efforts to mature these options
- The Board is presently in discussions on a range of opportunities and is confident that it will enter into

an agreement on at least one opportunity before mid-year 2025

**Stewart MacDonald, CEO of the Company, said:**

*"The performance of the SCHB-2 well continues to disappoint to the extent that it calls into question the ongoing financial viability of Rhein Petroleum. We are disappointed that agreement could not be reached with the creditors of Rhein Petroleum and that their preferred course of action is a sale of certain assets and the ultimate liquidation. Whilst Erfelden remains a potentially material oil discovery, very significant capital will be required in order to deliver its potential.*

*The ringfencing of Rhein Petroleum's liabilities ensures Beacon has no further financial exposure to the subsidiary and can utilise remaining cash to progress the compelling value accretive opportunities currently being assessed by our experienced Board.*

*"Beacon Energy has an exciting set of opportunities in the business development pipeline and a motivated and high-quality Board focused on growing the Company and creating long term sustainable value for shareholders. Reducing the cost base leaves the Company with sufficient cash, and importantly allows more time, to assess and progress this pipeline. We will provide further updates to the market as appropriate."*

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*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018.*

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