

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

Shareholder Update

December 20th 2024. Following an internal review by the recently appointed director and Chairman, the Company wishes to update shareholders and address the present situation.

Stephen Lunn (74), was recently appointed as Chairman of PPP. Stephen has over 50 years of experience in the global Capital and Equity markets, working in London, New York, Hong Kong, Dubai and Sydney. This experience has covered multiple fund raisings, IPO's, Mergers and Acquisitions together with the management of significant Pension Funds and private Family Office assets. Involvement in many restructuring and turnaround situations has provided Stephen with a sound knowledge of recapitalisation strategies.

The transaction announced in July 2024 with Globalvision has yet to be completed due to a number of issues arising in Texas. The issues range from lease ownership challenges, unpaid historic royalty payments and local creditor claims. These are potentially significant but also resolvable claims.

Additionally, the leases assigned under the Globalvision agreement are secured by historic corporate loans provided to the Pennpetro group and these secured debts will require renegotiation in order for any transaction to proceed further. Discussions to remedy this position are taking place.

Globalvision and the Company are committed to working together to address these issues and enable the transaction to complete.

In the U.K., the Company has entered into settlement discussions with a major creditor. This creditor secured a judgment for approximately £500,000 including costs against the Company earlier this year. This liability remained unaddressed causing the Company to face an immediate winding up order. The present board have entered into negotiations for settlement and are looking at a satisfactory outcome.

The Company is therefore taking advice to ensure it is staying within its solvency parameters. This advice will also address and investigate actions of previous Directors.

The audit is not expected to be finished until the first quarter of 2025 with the consolidated management accounts only being recently completed. This was delayed due to lack of available financial information regarding the US subsidiaries.

The Company is confident that it can resolve all of the foregoing issues and is in active discussions for further funding which will support the restructuring process.

The Company is working closely with advisors and will keep shareholders informed of progress.

This announcement contains inside information for the purposes of Article 7 of Regulation 2014/596/EU which is part of domestic UK law pursuant to the Market Abuse (Amendment) (EU Exit) regulations (SI 2019/310).

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