RNS Number : 6607R
ADM Energy PLC
31 December 2024

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF EU REGULATION 596/2014 (WHICH FORMS PART OF DOMESTIC UK LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018). UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

31 December 2024

ADM Energy plc

("ADM" or the "Company")

Half-yearly Results

ADM Energy plc (AIM: ADME; BER and FSE: P4JC), a natural resources investing company, announces its half-yearly results for the six months ended 30 June 2024

Investment Highlights:

JKT Reclamation, LLC ("JKT")

- Investment resulting in a 30.6% net economic interest effective 1 January 2024.
- For the first half of 2024, JKT had gross sales of 5,029 barrels of oil resulting in US 480,050 in revenue and pre-tax cash flow of US 26,573 to ADM's 100.0% interest.
- JKT made distributions to members of US 47,200 during the first six months of 2024 of which US 35,000 was to the Company (Note, the Company will receive approximately 70% of distributions until it has recovered 150% of its investment).
- From July of 2024 the Company has participated with other owners of JKT to upgrade the facilities to increase sales volumes and to streamline costs to improve margins.

Vega Oil and Gas, LLC ("Vega")

- Acquisition of 100% membership interest of Vega effective 1 June 2024.
- Vega owns interest in three wells in Moore County, TX - the Sneed 415, Thompson 7330 and 7331 wells.
- The Sneed 415 was producing during the month of June 2024 and produced 348.47 net barrels resulting in US 26,827.17 in net revenue. Vega recognised a net pre-tax profit for the month of US 7,909.65.
- The Company intends to turn the Thompson 7330 and 7331 to production and has undertaken to complete a new tank battery to facilitate production from the wells.

Aje Field, OML 113 ("Aje")

- ADM continues to work with the Aje Partners to progress development plans for the Aje Field while continuing discussions related to the monetisation of its interest in Aje.

At the end of period under review, the Company had £66,000 in cash and cash equivalents. Within the period, both the JKT and the Vega investments began to distribute cash to the Company, and whilst the Board remains confident of the performance of its portfolio of investments, the Company is currently in a constrained capital position. As such, the Directors remain committed to continually and carefully monitoring the working capital position of the Company going forwards.

Stefan Olivier, CEO of ADM Energy, said: "The investments in JKT and Vega represent the next phase of the rebuilding of ADM. We now have interest in two profitable businesses with significant room for near- and long-term growth and expansion.

We believe these two businesses will drive ADM to a cash flow positive position as we start 2025 and are excited about future plans that will be shared with the market in due course."

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Operating Review

ADM's strategy focuses on identifying investment opportunities that are near-term producing assets in proven oil and gas jurisdictions to enhance our investment portfolio.

Investment in JKT Reclamation, LLC

In April 2024, ADM acquired an interest in SW Oklahoma Reclamation, LLC ("SWOK") to reinitiate operations at the JKT Reclamation facility in Wilson, Oklahoma. As a result of the Investment, the Company owns a 30.6% interest in JKT Reclamation LLC ("JKT Reclamation"), a revenue generative Oklahoma Limited Liability Company, engaged in the purchase, processing and sale of residual oil from oil tanks (tank bottoms) and other oilfield waste streams containing significant concentrations of crude oil. The consideration for the investment was US 827,500 paid via the issue of 43,200,000 ordinary shares at a nominal share price of 1p per share for a value of US 540,000, a cash investment of US 287,500 for working capital into JKT Reclamation and the grant of 14,640,000 3-year, 1.0p warrants. The effective date of the investment was 1 January 2024.

Acquisition of Vega Oil and Gas, LLC

ADM acquired a 100% equity interest in Vega Oil and Gas, LLC, a Texas Limited Liability Company with assets in Moore County, Texas. The acquisition was effective from 1 June 2024. The transaction was funded by a US 150,000 capital commitment by ADM USA, a US 100,000 borrowing facility from a private, third-party US lender and the issuance of 20 million, 5-year warrants in the Company with an exercise price of 1.0 pence.

The Vega Wells, in aggregate, produced an average of 26 barrels of oil per day (net to the interest of Vega) in January, February and March 2024. As of the effective date the Sneed 415 was producing with the Thompson 7330 and 7331 shut-in awaiting completion of a new tank battery.

Aje

ADM continues to work with the Aje Partners to progress development plans for the Aje Field while continuing discussions related to the monetisation of its interest in Aje. In continued conversations with other parties regarding the realisation of ADM's investment in the legacy OML113 asset.

Financial Review

During the period, the Company generated £138,000 of revenue from its JKT and Vega operations in the US (H1 2023: nil revenue).

Loss for the period increased 28% to £589,200 (H1 2023: £460,000 loss) mainly due to an increase in administrative expenses to £565,700 (H1 2023: £292,000). In the first half of 2023, administrative expenses were abnormally low whilst FY2023 administrative expenses reached £1,575,000 showing a large increase from H1 2023 to H2 2023. Management expect administrative expenses in FY2024 to be in-line or lower than recorded in FY2023.

In June 2024, in conjunction with the acquisition of Vega, ADM Energy (USA), Inc., a 100% owned subsidiary of the Company ("ADM USA") entered into a financing agreement with OFX Holdings, LLC ("OFXH"), a substantial shareholder of the Company, which provides for up to US 600,000 in financing (the "**Total Financing**") to be made available to ADM USA of which an Initial Advance of225,000 was received at Closing and used to fund commitments associated with the Vega transaction and additional investment requirements associated with JKT.

As part of the financing, certain debt-for-equity conversion agreements were completed with OFX Holdings, LLC; Ventura Energy Advisors, LLC; and, Catalyse Capital, Ltd. for the conversion of a total of £532,752 in debt and accrued and unpaid interest into ordinary shares in the Company at a price of 1.0p per share as follows.

In April 2024 in conjunction with the investment in JKT the Company raised approximately £220,500 via a Subscription for a total of 22,050,000 ordinary shares at 1p per share with an additional US 180,000 in loans converted into ordinary shares resulting in the issuance of 30,400,000 new ordinary shares of the Company at 1p per share.

The Company and OFX Holdings, LLC have terminated the remaining contingent payment associated with the Blade Oil V, LLC assets.

Outlook

The Board view the investments in JKT and Vega as the twin cornerstones of its strategy to achieve positive operating cash flow for the Company in 1H 2025.

The Board believes that JKT has significant near-term potential for growth and expansion of profit margins without requiring significant external cash resources. Over July-September of 2024 JKT undertook certain improvements to the facility including installation of its 550-barrel capacity mixing tank and additional separation and heating equipment. Whilst production was paused, JKT took the opportunity to reevaluate the efficacy of the production line, address legacy issues, and make further amendments to the site. This included: the installation of the mixing tank and pumps; the clean-out of storage/sales tanks to avoid contaminating sale-able product; the addition of vertical and horizontal separation equipment; the addition of a vertical heater-treater; the installation of metering and chemical injection equipment; and the reconfiguration of oil tanks to help improve the efficiency of process. JKT is now in the process of re-starting operations and believes that it can significantly grow sales volumes, with targets of achieving to 2,000+ barrels per month on a consistent basis in 2025.

In the second half of 2025 Vega has purchased equipment and initiated construction of a tank battery to allow the production of the Thompson 7330 and 7331 wells. Completion of this work is anticipated to allow Vega to more than double the production and cash flow from its wells. As Vega enters 2025 it is evaluating opportunities to further grow production either through the acquisition of additional existing wells and lease acreage or the initiation of new drill wells in 2025.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	**Unaudited 6 months ended 30 June 2024 £'000**	Unaudited 6 months ended 30 June 2023 £'000	Audited Year ended 31 December 2023 £'000
Continuing operations				

Revenue		**138**	–	–
Cost of sales		**(16)**	–	–
Operating costs[1]		**(142)**	(78)	(210)
Administrative expenses		**(566)**	(292)	(1,575)
Other gains		–	–	1,020
Impairment		–	–	(16,843)
Operating loss		**(585)**	(370)	(17,608)
Movement in fair value of investments		–	–	–
Finance costs		**(15)**	(90)	(191)
Loss on ordinary activities before taxation		**(600)**	(460)	(17,799)
Taxation		–	–	–
Loss for the period		**(600)**	(460)	(17,799)
Other Comprehensive income:				
Exchange translation movement	3	**11**	(484)	(615)
Total comprehensive loss for the period		**(589)**	(944)	(18,414)
Basic and diluted loss per share	2			
From continuing and total operations		**(0.1)p**	(0.1)p	(5.0)p

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Share capital	Share premium	Exchange translation reserve	Other reserves	Retained deficit	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 31 December 2022	**11,194**	**38,090**	**630**	**962**	**(39,668)**	**11,208**
Loss for the year	–	–	–	–	(17,799)	**(17,799)**
Exchange translation movement	–	–	(615)	–	–	**(615)**
Total comprehensive income / (expense) for the year	–	–	(615)	–	(17,799)	**(18,414)**
Issue of new shares	1,878	146	–	–	–	**2,024**
Issue of options & warrants	–	-	–	33	–	**33**
Issue of convertible loans	–	–	–	41	–	**41**
At 31 December 2023	**13,072**	**38,236**	**15**	**1,036**	**(57,467)**	**(5,108)**
Loss for the year	–	–	–	–	(589)	**(589)**
Exchange translation movement	–	–	19	–	–	**19**
Total comprehensive income / (expense) for the year	–	–	19	–	(589)	**(570)**
Issue of new shares	1,185	–	–	–	–	**1,185**
Issue of options & warrants	–	-	–	14	–	**14**
Issue of convertible loans	–	–	–	–	–	–
At 31 December 2023	**14,252**	**38,236**	**34**	**1,050**	**(58,056)**	**(4,479)**

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Notes	**Unaudited 30 June 2024 £'000**	Unaudited 30 June 2023 £'000	Audited 31 December 2023 £'000
NON-CURRENT ASSETS				
Intangible assets		**357**	17,593	357
Investment in associates		**2,292**	-	1,062
		2,649	17,593	1,419
CURRENT ASSETS				

Investments held for trading	-	28	-
Inventory	-	35	-
Trade and other receivables	**34**	39	**18**
Cash and cash equivalents	**66**	86	-
	100	188	**18**
CURRENT LIABILITIES			
Trade and other payables	**2,885**	1,322	2,273
Borrowings	-	67	-
Convertible loans	**586**	-	427
	3,471	1,389	2,700
NET CURRENT LIABILITIES	**(3,371)**	(1,201)	(2,682)
NON-CURRENT LIABILITIES			
Other borrowings	**478**	1,072	638
Other payables	**1,639**	2,626	1,586
Decommissioning provision	**1,640**	1,559	1,621
	3,757	5,257	3,845
NET ASSETS	**(4,479)**	11,135	(5,108)
EQUITY			
Ordinary share capital	**14,257**	11,920	13,072
Share premium	**38,236**	38,236	38,236
Other reserves	**1,064**	971	1,036
Currency translation reserve	**19**	135	15
Retained deficit	**(58,054)**	(40,126)	(57,467)
Equity attributable to owners of the Company and total equity	**(4,479)**	11,135	(5,108)

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Unaudited 6 months ended 30 June 2024 £'000	Unaudited 6 months ended 30 June 2023 £'000	Audited Year ended 31 December 2023 £'000
OPERATING ACTIVITIES			
Loss for the period	**(589)**	(460)	(17,799)
Adjustments for:			
Fair value adjustment to investments	–	–	29
Warrants issued in settlement of fees	–	–	10
Finance costs	**13**	90	184
FX on developments (intangibles)	–	–	420
Share based payment expense	–	9	18
Impairment of intangible assets	–	–	16,843
Gains on settlement	–	–	(1,521)
Depreciation and amortisation	**41**	–	57
Loss on disposal of leases	–	–	501
Shares issued as incentives	–	–	127
Other amounts written off	–	–	54
Decommissioning charge	**18**	73	57
Operating cashflow before working capital changes	**(517)**	(288)	(1,020)
(Increase) in inventories	–	1	36
(Increase)/decrease in receivables	**(16)**	(17)	–
Increase/(decrease) in trade and other payables	**665**	(720)	258
Net cash outflow from operating activities	**132**	(1024)	(726)
INVESTMENT ACTIVITIES			
Loans to subsidiary operation	–	–	–
Acquisition of subsidiary	**(1,702)**	–	(8)
Net cash outflow from investment activities	**(1,702)**	–	(8)
FINANCING ACTIVITIES			
Issue of ordinary share capital	**1,180**	682	–
Share issue costs	–	–	–

Proceeds from convertible loan note	**159**		450
Proceeds from borrowings	**487**	595	343
Repayment of borrowings	**(265)**	(193)	(20)
Net cash inflow from financing activities	**1,561**	1,084	773
Net increase/(decrease) in cash and cash equivalents from continuing and total operations	**(9)**	60	39
Exchange translation difference	**(11)**	1	(64)
Cash and cash equivalents at beginning of period	**86**	25	25
Cash and cash equivalents at end of period	**66**	86	–

NOTES TO THE HALF-YEARLY REPORT

1. The financial information set out in this half-yearly report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The group's statutory financial statements for the period ended 31 December 2021, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The half-yearly financial information has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and on the same basis and using the same accounting policies as used in the financial statements for the year ended 31 December 2023. The half-yearly financial statements have not been audited or reviewed in accordance with the International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

Going concern

At 30 June 2024, the Group recorded a loss for the period of £0.59 million and had net current liabilities of £3.47 million, after allowing for cash balances of £66,000. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial statements. This information includes growing revenue opportunities, management prepared cash flows forecasts, the group's current cash balances, the group's existing and projected monthly running costs and need for further fundings.

Following this assessment, the Directors have reasonable expectation that the group can secure adequate liquidity to continue for the foreseeable future through further funding. The Directors therefore have made an informed judgement at the time of approving the financial statements that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Whilst the Directors are confident, there is no absolute guarantee that such funding and payment plan would be secured within the required timelines and therefore indicates that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern and, therefore the group and company may be unable to realise their assets and discharge their liabilities in the normal course of business. The auditors have included material uncertainty in relation to going concern in the audit opinion.

2. **Earnings per share**

The basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of shares in issue.

	Six months ended 30 June 2024 (unaudited)	Six months ended 30 June 2023 (unaudited)	Year ended 31 December 2023 (audited)
	£'000	£'000	£'000
Weighted average number of shares in the period	516,517,600	333,468,072	352,852,268
Loss from continuing and total operations	(589)	(460)	(17,799)

Basic and diluted loss per share:			
From continuing and total operations	(0.1)p	(0.1)p	(5.0)p

3. **Exchange translation movement**

For the 6 months to 30 June 2024, the Group has reported £0.01m as Other comprehensive income, an exchange translation movement. This gain has been triggered by the impact of movement in the currency exchange rates between US dollars and GBP. The Group is exposed to currency risk to the extent that there is a mismatch between the currency which assets are held and the Group functional currency. The functional currency of the Group company is GBP. The currency in which most assets and liabilities are denominated is US dollars. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation exchange rates at 30th June 2024 of monetary assets and liabilities denominated in foreign currencies, are taken to the income statement

4. No interim dividend will be paid.

5. Copies of the half-yearly report can be obtained from: The Company Secretary, ADM Energy plc, 60, Gracechurch Street, London, EC3V 0HR and are available to view and download from the Company's website: www.admenergyplc.com.

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[1] ADM Energy's share of operating costs at asset level

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