

**Pennpetro Energy Plc**

("Pennpetro" or the "Company")

**20<sup>th</sup> June 2025**

**Company Update**

**AUDIT**

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As a result of the commitment from GEM Global LLC SCS (**GEM**) referred to below, the board of directors of the Company have now been able to provide Crowe U.K. LLP, the Company's auditors, with a going concern memorandum.

As a result of this the auditors are in the final review process which is expected to be completed shortly.

Once the audited accounts for the year ending 31 March 2024 have been signed off by Crowe U.K. LLP, the Company will be looking to hold the Annual General Meeting, which includes seeking approval of the audited accounts.

It is worth noting that part of the reason for the delay in producing the audited accounts was due to the lack of records by the Company.

**HOUSEKEEPING**

In addition to finalising the annual accounts, the board of directors of the Company have been working hard to address issues that pre-date the appointment of Stephen Lunn and Robert Menzel as directors of the Company.

These include:

- a. A judgement for approximately £500,000 including costs against the Company was obtained earlier in 2024. The Company negotiated a settlement which we announced on 20 December 2024;
- b. Despite the outstanding judgement, former directors paid themselves significant sums in preference to this creditor;
- c. The debt in the Company's US subsidiaries was over US 600,000 against the previously disclosed US 300,000 (this was announced on 16 January 2025). The new directors have been able to renegotiate some of this debt; and
- d. The pledged shares (please see below).

**Globalvision International U. LDA**

Due to the significantly higher than expected debts of the Company's US subsidiaries, the Company has not yet been able to conclude the transaction with Globalvision International U. LDA announced on 17 July 2024.

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The board is in discussions on the best way to move forward with the Company's US subsidiaries, which may still include a transaction with Globalvision International U. LDA and/or others.

**PLEDGED SHARES**

Pursuant to historical arrangements announced to shareholders of the Company on 28 March 2023 and 12 July 2023 and subsequent contributions by shareholders of the Company, the Company placed 62,633,333 existing and to be issued ordinary shares of £0.01 in the capital of the Company ("**Ordinary Shares**") contributed by then existing shareholders, and a lender who was due to be issued with Ordinary Shares in lieu of a debt owed to them.

The General Meeting is being called to obtain authority to issue these new Ordinary Shares. An application will be made for admission of the new Ordinary Shares to listing following the Company's Ordinary Shares return from suspension.

The Company is fully aware that it will need to publish a prospectus to cover these new Ordinary Shares before such an application can be made for their admission to listing.

Until these new Ordinary Shares are issued, the Company has a debt obligation to the contributing shareholders/lender, and it is currently in default of its contractual obligations to them.

#### **GEM**

As announced on 21 May 2025, the Company "has agreed to enter into a Convertible Loan Note Facility with GEM Global Yield LLC SCS" having signed a term sheet with GEM.

Concurrently with entering into the Convertible Loan Note Facility, GEM is being awarded 80,000,000 warrants, exercisable at 4p each for a term of 5 years. The Convertible Loan Note Facility has not been entered into yet and therefore the warrants have not been issued to GEM.

Given the issues identified above, and having obtained a term sheet from another investor, the board of directors considered that GEM was offering the best terms the Company was able to receive, and as announced, it provides the Company with funds "to finalise the audit for the FY 2024, effect the re-trading of its shares on the London Stock Exchange and to fund possible growth opportunities", and as part of the term sheet GEM agreed to "reinstating the prior £20,000,000 SSF".

The board considers that this provides the Company with the short, medium and longer term finance it needs to deliver value to its shareholders.

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The Company is well aware it will need shareholder authority to issue shares to GEM pursuant to any future exercise of the warrants, and that it will need an approved prospectus to cover such shares.

The Company will make further announcements in respect of the Convertible Loan Note Facility in due course.

#### **DIRECTOR SHAREHOLDINGS**

In respect of Olof Rapp, he has 500,000 Ordinary Shares registered in his own name.

In respect of Stephen Lunn, he has 1,404 Ordinary Shares registered in his own name.

As at the date of this announcement, the following table sets out the shareholdings of the directors of the Company.

Anton Iarkanyi, the deceased former de facto corporate secretary held significant indirect interests in the share capital of the Company.

The Company understands that these shares are held by a number companies in both New Zealand and UK in complex structures pursuant to his will, of which Stephen Lunn is the Executor. Once this has been resolved the Company will be in a position to announce an updated shareholding for Stephen Lunn and make the required regulatory disclosures.

#### **NEXT STEPS**

We would encourage shareholders to support the resolutions at the General Meeting so that the Company can meet its contractual obligations in respect of the pledged shares.

We would also ask for the shareholders' patience until the Company's audited accounts are finalised.

#### **For further information, please contact:**

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