

5th August 2025

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Pennpetro Energy Plc

("Pennpetro" or the "Company")

Shareholder Update

Dear Shareholder,

Due to ongoing delays in scheduling the AGM, it is timely to update Shareholders, the vast majority of which rightfully, only wish for this company to return to trading on the LSE and for it to become a successful business delivering value for the long term rewarding them for their trust and support.

1. Audit

At our recent general meeting, I informed those present, and in the subsequent RNS that the annual accounts for the year ending 31 March 2024 had been approved by the board and would be issued imminently. An application to trading would then be made and a rescheduled AGM would follow.

This was based upon the reasonable expectation that Crowe, the company's external auditors for the past five years are prepared to sign off on the going concern requirement in the audit, based on the contractual funding commitments the company has entered into.

It has been four weeks since I made this representation and in the intervening period the directors and chairman have been working with the US investor, GEM, and the auditors to satisfy their requirements.

I would like to address directly the current corporate position and clarify several additional questions that have been posed to the directors.

Whilst the audited accounts for the year ending 2024 will give the full picture for that period, the stark reality is that the company finds itself in a precarious position. This is long before my appointment and will be disclosed in the upcoming 2024 annual accounts.

Factually

- a. The present chairman and CEO were appointed in late 2024 and early 2025 respectively and have worked continuously to address the challenges facing the company including the restricted funding to resume operations and the lack of any record keeping required for the audit.
- b. This has led to a material loss in the years 2023/24.

Since inception, and for many years thereafter, the company did not have its own bank account and a third party managed and processed funds with the most basic level of oversight or protection.

Only in the past few months with the benefit of a Court Order has the company been able to access over 30,000 documents, emails, bank records and correspondence which highlight several inappropriate, unauthorised and board unaware payments which are under review.

A judgement creditor who obtained a winding up order to close down the company was ignored by the previous Board.

At the same time, a lack of oversight of all operational activities has created a complete meltdown in the USA. This will be reflected in the audited accounts and the reporting of a material loss.

The joint venture with Globalvision has been unable to be completed in the form previously announced. The executed agreement, which had not been ratified by the board, totally ignored the intercompany debt and the secured lenders interests in all of the assets in the USA.

It also failed to reflect that the leases it was proposing to transfer either were not in place, expired, had been terminated or allowed to lapse. As the leases are not in good standing, the company has had to fully impair these assets which will be shown in the accounts once finalised. With further fundraising it is possible that some of these leases could be brought back into good standing.

The AGM notice will include a resolution to cover the serious loss of capital under the Companies Act 2006 as a result of full impairment of the group's leases. I take no responsibility other than for having uncovered it at great pains and much personal cost and time lost. None of the present Board have been remunerated since my original appointment as a Director in September 2024.

Furthermore, the company recently entered into a new funding agreement with USA based GEM to secure funds and evidence solvency. The term sheet was the preferred choice of the board but to achieve it, a condition called for a significant number of warrants to be issued that some shareholders view as dilution. For clarity, the warrants are priced significantly above the yearly average share price, and it remains to be seen upon readmission what the company's share price will be.

Despite GEM representing directly to creditors, the London Stock Exchange and funding invoices directly, the auditors are not prepared to sign off the accounts unless funds are placed into the company's bank account directly. GEM are engaged but have been cautious given that, historically, the company has and was unwilling or unable to settle a long outstanding debt with GEM and the company was eventually taken to court by them, resulting in a winding up order for failure to pay. Understandably, their risk management policy now requires direct control over all and any payments made using their funds which is not unreasonable considering their earlier experience.

So, at the moment we are at an impasse which unless resolved will mean the company must move to withdraw from the GEM facility and give notice of default to allow us to pursue support elsewhere.

2. General Meeting & Pledged Shares

The recent General Meeting was called to request the re-issuance of pledged shares. These shares were historically owned by investors and legally pledged to the company in order that funds could be raised by the company at a time when there was insufficient headroom to issue new shares already in treasury. The resolution was defeated despite there being legal and contractual obligations by the company to replace the pledged shares, which can be enforced regardless of the vote going against the company's desire to act lawfully and in good faith. Not replacing the pledged shares also impacts the company's ability to seek support in the future.

One of the reasons raised at the general meeting for the negative support was the perception that this would only benefit the shareholder position of myself.

There has been almost no recognition of complex shareholder arrangements that have been in place for many years,

predating any involvement of the current chairman with the company, and who only finds himself in the position he does by virtue of an inheritance, which has been reviewed by the authorities in both the UK and New Zealand where some shareholders reside.

There is a distinct lack of clarity, and several parties have come forward with claims on the estate, or proportionate interests in the corporate shareholdings. Until these are clarified, it is not possible to confirm the precise ultimate beneficial shareholdings of myself, but these will be disclosed in the relevant accounts and prospectus documents as soon as I know myself what they represent in terms of number.

For those at the general meeting who wanted further clarity on the pledged shares, I can confirm the following pledged shares:

Shareholders	No. Contributed Shares
York Energy Group	18,500,000
International Immobiliarie*	16,000,000
FHF Securities (A'Asia) Limited	4,500,000
RB Equity Nominees Limited	4,000,000
Peter Ola Blomqvist	2,000,000
Olof Rapp	2,000,000
Panna Evans**	3,000,000
Barbara Shaw**	3,000,000
Nobel Petroleum Ireland Limited	9,233,333
Petra Roswell	400,000
TOTAL	62,633,333

* This company has been struck off the New Zealand Companies Register and is in the process of being restored.

** These shares are currently showing as being held by the company on the basis of stock transfer forms purportedly signed by Mrs Evans and Mrs Shaw dated 21 November 2023, notwithstanding the Company did not appear to have the authority to buy back its own shares and therefore cannot hold them in treasury.

These shares were purportedly transferred by the company pursuant to a stock transfer form executed by Tom Evans, a former director of the company, on 5 November 2023 (prior to the company purportedly receiving the shares) to satisfy an investment into the company.

The stock transfer form required two directors to execute it, and given the concerns around the paperwork, the directors of the company are not prepared to add their signature.

The company is considering making an application to the Companies Court to determine how its share register can be rectified. If these shares are returned to Mrs Evans and Mrs Shaw then the company will not issue replacement shares to them.

The company acknowledges that an investor is entitled to 6 million shares, and requests that shareholders vote in favour of the resolutions at the AGM to enable the company to issue the shares to the investor

I do not believe that the estate has direct shareholdings in the companies that pledged shares which indicates that I could only receive the indirect benefit of any shares issued in connection with the pledge arrangements because of being the executor and beneficiary of the estate. It is not yet clear at this stage whether the estate has an indirect interest in the above companies that pledged shares.

3. Petroquest

Petroquest is a third party company established in 2006 and has loaned funds to the company's USA subsidiaries, recorded in the Group accounts. The majority of the shares in Petroquest formed part of the estate and are now therefore owned by me. To avoid any perception of, or actual conflict, an external advisor was appointed at the time I joined the board to independently manage Petroquest, a lender to the company's group subsidiaries.

Petroquest has not made a demand against the company or members of its group.

4. The Future

Looking to the future, once the present is resolved, it is the objective of the board to reposition the company for growth, based on sound and fully compliant corporate governance and management, with a number of opportunities currently under review. Each of these options would, of course, involve the injection of new capital and the dilution of existing shareholders, including myself, but without fresh capital and new, competent senior management the company's future is bleak.

In closing, Shareholders have every right to be angry, frustrated and disillusioned regarding the current state of affairs at the company, but you should be directing your justified anger towards previous management who oversaw the suspension of trading for a number of consecutive years.

This has caused constriction and restriction of our access to critical information that would have made our job in gaining readmission so much easier, and the job of beginning to rebuild the company and its reputation so much easier.

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Stephen Lunn

Chairman

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