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30 September 2021

ADM Energy plc

("ADM" or the "Company")

Interim Results

ADM Energy plc (AIM: ADME; BER and FSE: P4JC), a natural resources investing company, announces its interim results for the six months ended 30 June 2021.

Investment Highlights:

OML 113 - Aje Field, Nigeria (9.2% equity investment)

- Two wells (Aje-4 and Aje-5) producing at an average of 1,360 bopd (H1 2020: 2,126 bopd), equating to a current net rate to ADM of 125 bopd (H1 2020: 106 bopd) The drop in volume reflected the decision by the JV partners to continue a more thorough and extended period of maintenance on the FPSO while oil prices were depressed.
- Total gross production volume of approximately 246,240 barrels of oil from 1 January to 30 June 2021
- 15th Lifting in April 2021 marked the first lifting since the Company finalised an agreement in December 2020 to consolidate its interest in the asset
- Acquired an indirect interest in a Risk Sharing Agreement (RSA) for the development of the Barracuda Field

Superdielectrics

- Disposed of 188,778 shares in Superdielectrics Ltd for a total consideration of £849,501, a profit of £656,003 on ADM's original investment

Corporate Highlights:

- Extended strategic alliance MoU with Trafigura for a further 12 months to develop African energy projects and provide conditional pre-finance of up to US\$120 million
- Raised £1,220,000 in an equity fundraising in March 2021
- Post period, ADM strengthened the Board and technical team by adding high-calibre individuals with industry expertise and experience:
 - o Oliver Andrews, former Chief Investment Officer at the African Finance Corporation, appointed Non-executive Chairman
 - o Industry veteran Dr Babatunde Pearse appointed to the technical team as Chief Engineer to oversee the next phase of development at Aje

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About ADM Energy PLC

ADM Energy PLC (AIM: ADME; BER and FSE: P4JC) is a natural resources investing company with an existing asset base in Nigeria. ADM Energy holds a 9.2% profit interest in the oil producing Aje Field, part of OML 113, which covers an area of 835km² offshore Nigeria. Aje has multiple oil, gas, and gas condensate reservoirs in the Turonian, Cenomanian and Albian sandstones with five wells drilled to date.

ADM Energy is seeking to build on its existing asset base in Nigeria and target other investment opportunities across the West African region in the oil and gas sector with attractive risk reward profiles such as proven nature of reserves, level of historic investment, established infrastructure and route to early cash flow.

Operating Review

ADM continued to make progress on its strategy to build a multi-asset portfolio by targeting projects with highly attractive risk-reward profiles. In particular, the six months to 30 June 2021 marked the first full period since the Company consolidated its position in OML 113, increasing ADM's profit interest from 5% to 9.2%, and resulted in a significantly higher rate of net production.

The Company was active in pursuing new opportunities and extended its MOU with global trading house Trafigura Pte Ltd ("Trafigura"). Post period, the ADM further strengthened its Board and technical team with the appointment of Oliver Andrews as Non-executive Chairman and Dr Babatunde Pearse as Chief Engineer.

OML 113 - Aje Field

In the six months to 30 June 2021, oil production continued from two wells at the Aje Field (Aje-4 and Aje-5) at an average of 1,360 bopd (H1 2020: 2,126 bopd). Total gross production volume amounted to approximately 246,240 barrels of oil. Following the completion of the transaction with EER (Colobos) Nigeria Limited ("EER") in December 2020, the Company benefitted from an increased 9.2% profit interest in the field. As a result, the net rate of production attributable to ADM increased to 167 bopd (H1 2020: 106 bopd).

In April 2021, the Company announced the completion of the 15th Lifting at the Aje Field for a total of 225,000 barrels (52,000 barrels were left in the tank). In this first Lifting since ADM consolidated its interest in the Aje Field, the Company received a net share of 27,675 barrels, which equated to ADM's paying interest of approximately 12.3%. The proceeds of the Lifting were applied against the project debt, significantly reducing the outstanding balance.

Superdielectrics

In May 2021, the Company completed the sale of 188,778 shares in Superdielectrics Ltd ("Superdielectrics") for a total consideration of £829,501, a profit of £656,00 on ADM's original investment. The sale followed a funding round by Superdielectrics in October 2020 that valued ADM's total holding at £877,500, representing a total book profit of £677,625 and an increase in value of approximately 340%. ADM retains a holding of 6,222 shares in Superdielectrics following the sale.

OML 141 - Barracuda Field

In March 2021, the Company acquired an indirect interest in a Risk Sharing Agreement ("RSA") for the development of the Barracuda Field. Located in OML 141, the Barracuda Field is an existing discovery and near-term production asset, which covers 103 km² in the swamp/shallow waters of the Niger Delta. The Company has commissioned a Competent Person's Report ("CPR") on the Barracuda Field. ADM has received a draft of a preliminary report however it is not yet finalised pending further technical appraisal. Once finalised, ADM will be in a better position to conclude the full CPR report as well as its strategy for the Barracuda field.

Extension of Trafigura MOU

Access to capital is a key competitive advantage for ADM and supports the Company's strategy to acquire undervalued assets and unlock value. In January 2021, the Company announced a 12-month extension to its indicative MOU with Trafigura, the multi-billion-dollar global trading house. The intention is to create a strategic alliance where ADM will act as the sponsor for investment opportunities, with Trafigura providing up to US\$100 million in approved project finance as well as up to US\$20 million of convertible loan notes. The Company has engaged Trafigura on a number of potential deals to date and this extension is a reflection of the strong relationship between both parties.

Corporate Developments

Post period, the Company appointed Oliver Andrews as the new Non-executive Chairman following the departure of Peter Francis due to personal circumstances. Mr Andrews is the former Chief Investment Officer at the Africa Finance Corporation, one of the largest investment funds in Africa. Over the last 35 years, he has overseen investments of approximately US\$10bn and originated investments deals in natural resources and infrastructure across the continent, worth US\$100bn.

In addition, ADM further bolstered its technical team to advance the Company's existing assets and evaluate new prospects. Having last year enlisted non-Board advisors, Darrell McKenna and Dr Satinder Purewal as Lead Technical consultants, the Company appointed Dr Babatunde Pearse, as Chief Engineer post period. Dr Pearse is an industry veteran with an extensive background with International Oil Companies ("IOC"s). He is primarily responsible for planning the next phase of the Aje development and oversees Front End Engineering Design ("FEED")

studies to support the Final Investment Decision.

Financial Review

On 24 March 2021 the company announced an oversubscribed fundraising. The company issued 28,710,250 shares at 4.25p for a total amount of £1,220,000 before expenses.

On 8th April 2021, the company issued 443,627 shares to settle various loans. 208,333 shares were issued at 2.4 pence per share, 235,294 shares were issued at 4.25 pence per share.

On 28th April, the company announced it completed a controlling interest in a Risk Sharing Agreement for the development of the large-scale Barracuda Field in OML 141. Initial consideration was \$0.25m along with 5,657,912 of ADM shares at a price of 7 pence per share.

On 4th May 2021, ADM's CEO Osa Okhomina purchased 480,446 ordinary shares at 3.45 pence per share.

On 22 June 2021, the company announced it had extended 2 loan agreements. £100k had been extended to 31 December 2021, and £100k has been extended to 30 June 2022. 4,705,882 new warrants were issued in respect of the loan extension.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Unaudited 6 months ended 30 June 2021 £'000	Unaudited 6 months ended 30 June 2020 £'000	Audited Year ended 31 December 2020 £'000
Notes			
Continuing operations			
Revenue	785	-	799
Operating costs	(1,124)	-	(1,423)
Administrative expenses	(1,173)	(938)	(2,616)
Impairment of investment		-	(4,628)
Consultancy fee income		-	353
Operating loss	(1,512)	(938)	(7,515)
Movement in fair value of investments	-	-	678
Finance costs	(25)	(37)	(67)
Loss on ordinary activities before taxation	(1,537)	(975)	(6,904)
Taxation	-	-	-
Loss for the period	(1,537)	(975)	(6,904)
Other Comprehensive income:			

Exchange translation movement		(62)	529	(233)
Total comprehensive loss for the period		(1,599)	(446)	(7,137)
Basic and diluted loss per share	2			
From continuing and total operations		(1.1)p	(1.5)p	(8.7)p

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Share capital £'000	Share premium £'000	Exchange translation reserve £'000	Other reserves £'000	Retained deficit £'000	Total equity £'000
At 1 January 2020	8,817	34,012	(617)	870	(28,152)	14,930
Loss for the year	-	-	-	-	(6,904)	(6,904)
Exchange translation movement	-	-	(233)	-	-	(233)
Total comprehensive expense for the year	-	-	(233)	-	(6,904)	(7,137)
Issue of new shares	633	2,544	-	(134)	-	3,043
Share issue costs	-	(21)	-	-	-	(21)
Issue of convertible loans	-	-	-	17	-	17
Warrants issued in settlement of fees	-	-	-	170	-	170
Warrants exercised	-	56	-	(106)	50	-
At 31 December 2020	9,450	36,591	(850)	817	(35,006)	11,002
Loss for the period	-	-	-	-	(1,537)	(1,537)
Exchange translation movement	-	-	(62)	-	-	(62)
Total comprehensive expense for the period	-	-	(62)	-	(1,537)	(1,599)
Issue of new shares	348	1,283	-	-	-	1,631
Share issue costs	-	(43)	-	-	-	(43)
Issue of warrants	-	(9)	-	65	-	56
At 30 June 2021	9,798	37,822	(912)	882	(36,543)	11,047

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	Unaudited 30 June 2021 £'000	Unaudited 30 June 2020 £'000	Audited 31 December 2020 £'000
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NON-CURRENT ASSETS				
Intangible assets		16,430	16,212	16,007
		16,430	16,212	16,007
CURRENT ASSETS				
Investments held for trading		28	200	878
Inventory		104	740	32
Trade and other receivables		137	337	109
Cash and cash equivalents		137	52	30
		406	1,329	1,049
CURRENT LIABILITIES				
Trade and other payables	3	4,123	2,761	4,206
Borrowings	3	195	-	235
		4,318	2,761	4,441
NET CURRENT LIABILITIES		(3,912)	(1,432)	(3,392)
NON-CURRENT LIABILITIES				
Convertible loans		398	-	284
Other borrowings		-	-	297
Decommissioning provision		1,073	-	1,032
		1,471	-	1,613
NET ASSETS		11,047	14,780	11,002
EQUITY				
Ordinary share capital		9,798	8,965	9,450
Share premium		37,822	34,310	36,591
Other reserves		882	720	(35,006)
Currency translation reserve		(912)	(88)	9,450
Retained deficit		(36,543)	(29,127)	36,591
Equity attributable to owners of the Company and total equity		11,047	14,780	11,002

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Unaudited 6 months ended 30 June 2021 £'000	Unaudited 6 months ended 30 June 2020 £'000	Audited Year ended 31 December 2020 £'000
OPERATING ACTIVITIES			
Loss for the period	(1,537)	(975)	(6,904)
Adjustments for:			
Fair value adjustment to investments	-	-	(678)
Warrants issued in settlement of fees	56	-	170
Finance costs	25	37	67
Impairment of intangible assets	-	-	4,628
Decommissioning charge	51	-	-
Depreciation and amortisation	48	43	85
Operating cashflow before working capital changes	(1,357)	(895)	(2,632)
(Increase) in inventories	(72)	(740)	(32)

(Increase)/decrease in receivables	(28)	177	303
Increase/(decrease) in trade and other payables	324	999	1,410
Net cash outflow from operating activities	(1,133)	(459)	(951)
INVESTMENT ACTIVITIES			
Proceeds on disposal of investments	850	-	-
Purchase of investments	-	-	-
Development costs	(180)	-	(181)
Net cash outflow from investment activities	670	-	(181)
FINANCING ACTIVITIES			
Issue of ordinary share capital	932	352	848
Share issue costs	(43)	(8)	(21)
Proceeds from short term loans	-	170	278
Repayment of borrowings	(352)	170	278
Net cash inflow from financing activities	537	514	1,105
Net increase/(decrease) in cash and cash equivalents from continuing and total operations			
	74	55	(27)
Exchange translation difference	33	(18)	42
Cash and cash equivalents at beginning of period	30	15	15
Cash and cash equivalents at end of period	137	52	30

NOTES TO THE HALF-YEARLY REPORT

1. The financial information set out in this interim 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 2020, 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 interim 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 2019. The interim 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 2021, the Group recorded a loss for the period of £1,599,000 and had net current liabilities of £4,318,000 after allowing for cash balances of £137,000.

The Directors have prepared cashflow forecasts for the period to 30 September 2022 to assess whether the use of the going concern basis for the preparation of the financial statements is appropriate. In the short term, the Group will require further additional funding in order to meet its liabilities as they fall due and continue to operate as a going concern. The Directors have taken into consideration the level and timing of the Group's working capital requirements (which takes into account recent reductions in costs and control of discretionary spending to preserve cash flow) and has also considered the

likelihood of successfully securing funding to meet these needs. In particular, consideration has been given to ongoing discussions around further third-party investment and the extent to which these discussions are advanced both in respect of short and longer term funding. The Directors acknowledge that while they have an expectation that funding will be secured based on this assessment, at the date of approval of these financial statements, no such funding has been unconditionally committed. Therefore, while the Directors have a reasonable expectation that the Group has the ability to raise the additional finance required in order to continue in operational existence for the foreseeable future, the uncertainty surrounding the ability and likely timing of securing such finance indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Were no such funding to be secured, the Group would have no realistic alternative but to halt operations and prepare its financial statements on a non-going concern basis.

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 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)	Year ended 31 December 2020 (audited)
Weighted average number of shares in the period	140,486,609	65,616,001	79,594,655
Loss from continuing and total operations	(£1,537,000)	(£975,000)	(£6,904,000)
Basic and diluted loss per share:			
From continuing and total operations	(1.1)p	(1.5)p	(8.7)p

3. No interim dividend will be paid.

4. Copies of the interim 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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