Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement, this information is now considered to be in the public domain.

30 September 2020

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 interim results for the six months ended 30 June 2020.

Investment Highlights:

5% equity investment in the Aje field, part of OML 113 offshore Nigeria

- Operations largely unaffected by COVID-19 and oil production continued throughout the period, except during scheduled technical maintenance on the FPSO
- Two wells (Aje-4 and Aje-5) producing at an average of 2,126 bopd (H1 2019: 2,967 bopd), with 106 net to ADM. The temporary drop in production reflects a period of maintenance on the FPSO and the Partners anticipate production will increase in H2 2020
- Total gross production volume of approximately 394,812 barrels of oil from January to June 2020 with 24,941 net to ADM
- Asset-level operational costs reduced by 37.5% – breakeven reduced to US$28 per barrel
- Partners exercised right to store oil on FPSO for later sale with anticipated recovery in crude oil price
- The next lifting is planned for October 2020 and will enable the Company to benefit from any recovery and upturn in oil prices
- Entered into an agreement with EER to increase revenue interest in OML 113 from 5% to 9.2%, expected to complete in H2 2020
    - Significantly increases ADM’s net 2P reserves from 8.9 MMboe to 16.4 MMboe with net daily reserves, based on current production, rising from 106 bopd to approximately 196 bopd

Corporate Highlights:

- Signed strategic alliance MoU with Trafigura to develop African energy projects and provide conditional pre-finance of up to US$100 million
- Raised £400k for working capital, with directors participating, and converted £152k of debt to equity
- Secondary listing on the Berlin and Frankfurt stock exchanges to support growth and broaden investor base

Post Period Highlights:

- Strengthened the Board with the appointment of two high-calibre Non-executive Directors, Sir Henry Bellingham and Dr Stefan Liebing
- Added two oil and gas veterans, Darrell McKenna and Dr Satinder Purewal, to the technical team
- Raised additional equity and debt of £672,500 through a placing and subscription, with five directors participating, and converted £395,798 of debt to equity
- Submitted bid for a marginal field in Nigeria’s 2020 Marginal Field Bid Round

Osamede Okhomina, CEO of ADM Energy plc, commented: "We made excellent progress in the first half of the year despite difficult macro conditions. Operations at the Aje field continued largely uninterrupted by COVID-19 and costs were significantly reduced at the asset level, bringing break-even costs down to US$28 per barrel, which ensures the asset remains profitable even at lower oil prices.

"By storing oil on the FPSO, we have avoided making sales at depressed prices and are now positioned to benefit from any potential increased forward curve in oil prices as the global economy begins to re-open. We are excited by the prospects at the Aje field and are increasing our stake from 5% to 9.2% ahead of plans to drill three new wells in 2021, potentially significantly increasing production to 9,000 bopd.

"We continue to drive forward our strategy to build a multi-asset portfolio by targeting projects with highly attractive risk-reward profiles. As oil majors continue to look to divest assets, the current economic climate has further depressed their value but not their quality, which presents attractive investment opportunities. With a strengthened management team and Board, extensive contacts and experience in West Africa, ADM is well positioned to execute its growth strategy and capture the significant opportunities that exist in the near to medium term."

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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 5% profit interest in the Aje Field, part of OML 113, which covers an area of 835km² offshore Nigeria, and in February 2020 entered into an agreement with EER (Colobos) Nigeria Limited to acquire a further 4.2% profit interest. 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, route to early cash flow and exploration upside.

Investor Presentation

The Company will host an investor meeting, via conference call, on 1 October 2020 at 15:00 BST. On the call, the Company's CEO, Osamede Okhomina, and Chairman, Peter Francis, will discuss the interim results and provide an operational overview of the business as well as the drivers for the industry and ADM. This will be followed by a question and answer session. There will be no new material or trading information provided on the day.

The call is open to all existing and potential shareholders. Interested parties can register to attend https://docs.google.com/forms/d/1umfzyTUp8XP8icZvuoHwLSKvs4yPz9I6Nv29gAbb2r8/edit.

Participants are requested to submit questions in advance by 15:00 BST on 30 September 2020.

Operating Review

The end of the first half marks approximately a year since ADM appointed Osamede Okhomina as CEO. In that time the Company has made significant changes to its internal processes to position the business for growth. This includes strengthening the management team and Board with expertise, contacts and experience to ensure ADM has the right skillset to scale up the business.

The changes are reflected in the Company's progress during the first six months of the year. ADM agreed an MoU for a strategic partnership with Trafigura Pte Ltd ("Trafigura"), one of the largest commodity trading groups in the world, to jointly develop and finance approved future acquisitions, including conditional pre-financing of up to US$100 million with further access to US$20 million in convertible loan notes. The Company also signed its first deal under the new management team, which, upon completion, will nearly double ADM's revenue interest and net 2P reserves in OML 113.

The steps taken form part of a strategy implemented by the new management team to increase shareholder value by expanding its portfolio of projects through the acquisition of undervalued 2P reserves without the risks associated with high cost exploration.

Aje Field Investment

The Aje field, part of OML 113, covers an area of 835km² offshore Nigeria. It has multiple oil, gas and gas condensate reservoirs in the Turonian, Cenomanian and Albian sandstones with five wells drilled to date. It currently has two producing wells, Aje-4 in the Cenomanian and Aje-5 in the Turonian.

In February 2020, the Company entered into an agreement with EER (Colobos) Nigeria Limited ("EER") to acquire part of EER's interest and increase the Company's profit interest in the field from 5% to 9.2%. Upon completion, ADM's net 2P reserves will increase from 8.9 MMboe to 16.4 MMboe with net daily reserves, based on current production, rising from 106 barrels of oil per day ("bopd") to approximately 196 bopd.

In the first six months of 2020, production from the Aje field was 2,126 bopd (H1 2019: 2,967 bopd). The temporary drop in production was largely due to scheduled technical maintenance on the FPSO and the joint venture partners ("Partners") anticipate production will increase in the second half of the year.

The Partners took decisive measures in response to the COVID-19 pandemic to ensure the safety of crew on the floating production storage and offloading unit ("FPSO"). This included adapting the rotation policy and implementing support processes onshore and offshore. As a result, operations at the Aje field have been largely unaffected during the period.

Notwithstanding the actions taken by the Partners, the global public health emergency has had a significant impact on global markets which in turn has put downward pressure on the crude oil price. In light of market volatility, the Partners reduced operating costs at project level by 37.5% on average, including a decrease in the FPSO lease cost. This successfully reduced the project break-even cost to US$28 per barrel, comfortably below the prevailing crude oil price. As a result, the Aje asset has remained profitable even despite lower production volumes and crude oil prices, while providing a base for operational leverage as prices rise.

As further mitigation against market volatility, ADM and the Partners decided to delay oil sales and store production on the FPSO, which has up to 750,000 barrels of storage capacity, in order to benefit from the anticipated rise in the oil price. To date, this strategy has been vindicated and the Directors expect the forward curve to continue to improve in Q4 2020. The next lifting is planned for October 2020 and will enable the Company to benefit from any potential further recovery in oil prices.

Field Development Plan

The Partners continue discussions to reach a Final Investment Decision on a new development plan. This includes the drilling of three new wells in 2021, which may potentially significantly increase production of oil and gas liquids from 2,126 bopd experienced in H1 2020 to up to 9,000 bopd (approximately 900 barrels per day ("bpd") net to ADM, post completion of agreement with EER). It will also monetise the rich Dry Gas in the Aje field, where it has been estimated there is over 1.1 trillion cubic feet ("Tcf") of Gas initially in Place ("GIIP") which could be supplied to the Lagos market and sold to the West Africa Gas Pipeline. Further redevelopment is also planned with an FPSO replacement.

The Partners continue to explore various methods of financing, one of which is the US$100 million pre-offtake conditional pre-finance for approved projects that the Company may access under its MoU with Trafigura.

Listing in Germany

During the period, ADM added secondary listings on the Berlin and Frankfurt stock exchanges and appointed ODDO SEYDLER BANK AG ("ODDO SEYDLER") as its Designated Sponsor for trading on Xetra, the electronic trading platform of the Frankfurt Stock Exchange. The Board has received a high level of interest from prospective German investors with a strong understanding of the African energy market. It is intended that the secondary listings will help ADM to broaden its investor base and create increased demand for its shares across different channels.

Strengthening the Board and Technical Team

A key aspect of ADM's growth strategy is to leverage its expertise and contacts to invest in attractive near-term production assets. In line with this strategy, ADM further strengthened both its Board and its technical team post period with high-calibre individuals that bring significant value to the Company.

In July 2020, the Company appointed Sir Henry Bellingham, a distinguished parliamentarian and former UK Government Minister for Africa, to the Board as Non-executive Director. It also added Dr Stefan Liebing, Chairman of the prestigious German-African Business Association, as a Non-executive Director. Sergio Lopez stepped down from the Board to pursue other interests.

In addition to the new Board appointments, ADM appointed two oil and gas veterans, Darrell McKenna and Dr Satinder Purewal, as non-board advisory members to the Company's technical team. Both Mr McKenna (former COO of Kosmos Energy) and Dr Satinder have years of experience with major International Oil Companies ("IOC"), such as ExxonMobil and Shell, and have worked on some of the most prominent field development projects.

These senior additions add to the Company's breadth of industry expertise and knowledge of the West African region, which will help ADM to appraise and progress investment opportunities as part of its asset selection and development strategy.

Marginal Bid Round

In September 2020, ADM submitted a bid with the Nigerian Department of Petroleum Resources ("DPR") for a marginal field in the 2020 Marginal Field Bid Round ("Bid Round"). A total of 57 marginal fields are available to participating companies covering onshore, swamp and shallow offshore fields. ADM is participating in the Bid Round as a strategic partner of OilBank International Limited ("OilBank"), a Nigerian integrated oil and gas service management company. The submission follows ADM and OilBank pre-qualifying for the Bid Round and concludes the second stage of the process. The Company expects the Bid Round to be concluded by the end of Q4 2020.

Financial Review

In light of market volatility, the Company decided to not make any sales during the period due to the depressed oil prices at the time. As a result, revenue for the six months was £nil (H1 2019: £2.2 million).

The Company's operating costs were off-set by the inventory of oil stored in the FPSO and so they were also £nil (H1 2019: £2.1 million). Administrative expenses increased to £938,000 (H1 2019: 511,000).

As a result, the loss after taxation for the period increased to £975,000 (H1 2019: £448,000 loss).

The Directors do not propose a dividend (H1 2019: £nil). Cash and cash equivalents as at 30 June 2020 was £52,000 (30 June 2019: £84,000).

Funding

In January 2020, ADM completed the final stage of the fundraise announced on 30 September 2019, raising £150,360.

In April 2020, the Company announced a loan facility of £200,000, a £50,000 equity subscription by certain Directors and the conversion of £152,000 of debt to equity.

Post-period, in August 2020, the Company announced a further loan facility of £200,000, additional equity funding of £472,500 including £50,000 by certain Directors and the conversion of £395,798 of debt to equity.

COVID-19 and Outlook

While COVID-19 continues to have an impact worldwide, operations at the Aje field have continued uninterrupted with oil being produced at Aje-4 and Aje-5. Asset-level cost reductions have successfully reduced the break-even cost to US$28 per barrel, meaning that the asset is profitable despite the current low oil price. The Directors, along with the Aje partners, took the strategic decision to delay the next lifting and store the oil on the FPSO in order to benefit from the oil price forward curve as economies around the world begin to re-open. The next lifting is scheduled to take place in October 2020 and, despite an uncertain macroeconomic backdrop, the Directors believe this will enable ADM to take advantage as oil prices recover.

The Company is confident in the Aje field's prospects as it gears towards a Final Investment Decision on the Partners' development plans to drill three new wells in 2021, potentially significantly increasing production up to 9,000 bopd. These plans have been significantly de-risked by the entry of PetroNor as a partner, a strong endorsement of the viability of the asset and its significant potential upside.

The Board is progressing its stated strategy to deliver growth by building its portfolio of assets. The Company continues to target undervalued projects with attractive risk-reward profiles by originating deals for appraisal, development and producing assets. It has submitted a bid in Nigeria's 2020 Marginal Field Bid Round, which is expected to be concluded by the end of Q4 2020, and identified several other excellent investment opportunities in West Africa.

It remains a buyer's market as upstream majors continue portfolio rationalisation via divestments in West Africa. The effect is that greater opportunities are emerging at low and attractive valuations, even more so in the current macro environment. ADM benefits from an extensive network, a high-calibre Board and technical team, and access to capital from partners such as Trafigura. As a result, the Directors continue to believe that ADM is in an excellent position to execute its growth strategy and capture the significant future opportunities that exist in the near to medium term.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Notes	**Unaudited 6 months ended 30 June 2020 £'000**	Unaudited 6 months ended 30 June 2019 £'000	Audited Year ended 31 December 2019 £'000
Continuing operations				
Revenue		–	**2,171**	2,519
Operating costs		–	**(2,094)**	(2,444)
Administrative expenses		**(938)**	**(511)**	(1,721)
Operating loss		**(938)**	**(434)**	(1,646)
Finance costs		**(37)**	**(14)**	(27)
Loss on ordinary activities before taxation		**(975)**	**(448)**	(1,673)
Taxation		**–**	**–**	–
Loss for the period		**(975)**	**(448)**	(1,673)
Other Comprehensive income:				
Exchange translation movement		**529**	**45**	(272)
Total comprehensive loss for the period		**(446)**	**(403)**	(1,945)
Basic and diluted loss per share	2			
From continuing and total operations		**(1.5)p**	**(1.3)p**	(3.8)p

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	**Unaudited 30 June 2020 £'000**	Unaudited 30 June 2019 £'000	Audited 31 December 2019 £'000
NON-CURRENT ASSETS				
Development costs		**16,212**	16,403	15,708
		16,212	16,403	15,708
CURRENT ASSETS				
Investments held for trading		**200**	200	200
Inventory		**740**	–	–
Trade and other receivables		**337**	41	562
Cash and cash equivalents		**52**	84	15
		1,329	325	777
CURRENT LIABILITIES				
Trade and other payables	3	**2,761**	1,255	1,555
		2,761	1,255	1,555
NET CURRENT LIABILITIES		**(1,432)**	(930)	(778)
NET ASSETS		**14,780**	15,473	14,930
EQUITY				
Ordinary share capital		**8,965**	8,687	8,817
Share premium		**34,310**	33,357	34,012
Shares to be issued		–	–	150
Reserve for options granted		–	172	–
Reserve for warrants issued		**720**	783	720
Exchange translation reserve		**(88)**	(297)	(617)
Retained deficit		**(29,127)**	(27,229)	(28,152)
Equity attributable to owners of the Company and total equity		**14,780**	15,473	14,930

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Reserve for options granted £'000	Reserve for warrants issued £'000	Exchange translation reserve £'000	Retained deficit £'000	Total equity £'000
At 1 January 2019	8,499	**32,833**	–	**172**	**783**	**(345)**	**(27,034)**	**14,908**
Loss for the year	–	–	–	–	–	–	(1,673)	(1,673)
Exchange translation movement	–	–	–	–	–	(272)	–	(272)
Total comprehensive expense for the year	–	–	–	–	–	(272)	(1,673)	(1,945)
Issue of new shares	318	1,322	150	–	299	–	–	2,089
Share issue costs	–	(143)	–	–	21	–	–	(122)
Share options lapsed	–	–	–	(172)	–	–	172	–
Share warrants lapsed/cancelled	–	–	–	–	(383)	–	383	–
At 31 December 2019	8,817	**34,012**	**150**	**–**	**720**	**(617)**	**(28,152)**	**14,930**
Loss for the period	**–**	**–**	–	**–**	**–**	**–**	**(975)**	**(975)**
Exchange translation movement	–	–	–	–	–	**529**	–	**529**
Total comprehensive expense for the period	–	–	–	–	–	**529**	**(975)**	**(446)**
Issue of new shares	**148**	**306**	**(150)**	**–**	**–**	**–**	**–**	**304**
Share issue costs	**–**	**(8)**		**–**	**–**	**–**	**–**	**(8)**
At 30 June 2020	**8,965**	**34,310**	–	–	**720**	**(88)**	**(29,127)**	**14,780**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Unaudited 6 months ended 30 June 2020 £'000	Unaudited 6 months ended 30 June 2019 £'000	Audited Year ended 31 December 2019 £'000
OPERATING ACTIVITIES			
Loss for the period	**(975)**	(448)	(1,673)
Adjustments for:			
Finance costs	**37**	–	27
Depreciation and amortisation	**43**	14	112
Operating cashflow before working capital changes	**(895)**	(434)	(1,534)
(Increase) in inventories	**(740)**	–	–
Decrease/(increase) in receivables	**177**	(12)	(383)
Increase/(decrease) in trade and other payables	**999**	(402)	(115)
Net cash outflow from operating activities	**(459)**	(848)	(2,032)
FINANCING ACTIVITIES			
Issue of ordinary share capital	**352**	752	1,939
Share issue costs	**(8)**	(40)	(122)
Short term loan finance	**170**	–	–
Net cash inflow from financing activities	**514**	712	1,817
Net increase/(decrease) in cash and cash equivalents from continuing and total operations	**55**	(136)	(215)
Exchange translation difference	**(18)**	4	14
Cash and cash equivalents at beginning of period	**15**	216	216
Cash and cash equivalents at end of period	**52**	84	15

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 2019, 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 2019. The interim 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 2020, the Company recorded a loss for the period of £975,000 and had net current liabilities of £1,432,000, after allowing for cash balances of £52,000.

Since the end of June, the Company has raised additional equity funding of £472,500 and has agreed a loan facility of £200,000 to provide for working capital and converted £395,798 of debt to equity, and the Directors have prepared cashflow forecasts for twelve months following the date of approval of this interim statement to assess whether the use of the going concern basis of their preparation is appropriate. However, in the short term the Company will require further additional funding in order to meet its liabilities as they fall due. The Directors have taken into consideration the level and timing of the Company’s working capital requirements and have 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 interim statements, no such funding has been unconditionally committed. Therefore, while the Directors have a reasonable expectation that the Company 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 Company’s ability to continue as a going concern. Were no such funding to be secured, the Company would have no realistic alternative but to halt operations and prepare its interim 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 2020 (unaudited)	Six months ended 30 June 2019 (unaudited)	Year ended 31 December 2019 (audited)
Weighted average number of shares in the period	65,616,001	34,911,287	44,280,670
Loss from continuing and total operations	(£975,000)	(£448,000)	(£1,673,000)
Basic and diluted loss per share:			
From continuing and total operations	(1.5)p	(1.3)p	(3.8)p

3. **Trade and other payables**

	Unaudited 30 June 2020 £'000	Unaudited 30 June 2019 £'000	Audited 31 December 2019 £'000
Trade payables	**344**	55	327
OML 113 operating expenses*	**1,026**	221	213
Other payables	**1,139**	915	810
Accrued expenses	**82**	64	205
Short term loan finance	**170**	–	–
	2,761	1,255	1,555

*OML 113 operating expenses will be settled by offset against revenue from oil sales.

4. No interim dividend will be paid.

5. 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.

Glossary of Key Terms

2P	Proved + Probable; represent volumes that will be recovered with 50% probability
bopd	Barrels of oil per day
bpd	Barrels per day
condensate	A mixture of hydrocarbons in either gas or liquid form
FPSO	Floating Production Storage and Offloading
GIIP	Gas initially in Place
MMboe	Million barrels of oil equivalent
reserves	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions on production, approved for development or justified for development. Reserves are also classified according to the associated risks and probabilities (1P, 2P and 3P)
Tcf	Trillion cubic feet