

19 May 2014

## AMINEX PLC

### INTERIM MANAGEMENT STATEMENT – FIRST QUARTER 2014

Aminex PLC ("Aminex" or the "Company"), an independent oil and gas company premium-listed on the London Stock Exchange and primary-listed on the Irish Stock Exchange with activities focused in Tanzania, today issues its Interim Management Statement for the period 1 January 2014 to the date of this statement.

#### Highlights

- Completed US\$15 million equity issue to move the work programme forward in Ruvuma and progress the Company to production at Kiliwani North
- Extended loan repayment date to July 2015 by which time the Company is expected to be producing in Tanzania
- Agreed to Heads of Terms for the sale of Aminex USA, Inc. to allow the Company to focus its resources on its highly prospective Ruvuma Basin acreage
- Infill seismic acquisition in progress to appraise up-dip portion of the Ntorya-1 discovery
- Expanded technical team brings significant operational and exploration experience

**Chief Executive Jay Bhattacharjee commented:** *"Your management strongly believes that the onshore Ruvuma Basin provides an opportunity for investors to participate in world class acreage. The Company has now begun a focused high density 2D seismic programme to allow the existing four leads to be defined as drill-ready prospects. The new regional gas pipeline under construction passes through our Ruvuma acreage and offers the possibility of early commercialisation of both our existing Ntorya-1 discovery and any further discoveries made during our planned 4 to 5 well drilling campaign."*

*It is our intention to pursue a broad range of financing options in order to allow the Company to complete its full work programme over Ruvuma."*

## MANAGEMENT CHANGES

During the period under review, Jay Bhattacharjee, Philip Thompson and Max Williams were appointed to the Aminex Board as Executive Directors. Brian Hall resumed his previous role as Non-Executive Chairman and Mike Rego left the Company to pursue other opportunities. As a result of participation in the recent fundraising, the Aminex Board now owns over 12% of the Company's issued share capital. In addition to the Board changes, the Company has continued to expand its technical team with the recent appointment of Bernard André as Exploration Advisor. Mr. André, a geophysicist, brings significant technical expertise to the Company and in particular to the Ruvuma Basin, having previously worked with Cove Energy on the adjacent world class gas discoveries in deep water. Aminex will continue to build on its technical capabilities.

## RUVUMA PSA

In 2012 the Ntorya-1 discovery well in the Ruvuma PSA tested 20 MMSCFD together with 139 barrels of associated condensate. The Company is currently undertaking a 2D seismic programme to high-grade its numerous leads over the PSA into drill-ready prospects. Further, Aminex is re-interpreting all existing data on the PSA and interpreted results for both new and re-interpreted data are expected to be completed by late summer. The Company continues to work on financing solutions for its drilling programme in Ruvuma and the new data will assist this process.

## KILIWANI NORTH GAS FIELD

The Kiliwani North-1 gas well has been completed and ready to produce for some time. A Gas Sales Agreement ("GSA") with the Tanzania Petroleum Development Corporation ("TPDC") is largely negotiated, with no material issues remaining. First Kiliwani North commercial gas is due to be delivered into a new 36" regional pipeline system in early 2015, being Aminex's first commercial production in Africa. The pipeline operator will now construct the sales pipeline directly to Kiliwani North at its own cost, allowing the Company to simplify the process by selling its production at the wellhead. Kiliwani North will be only the third producing gas field in Tanzania's history and the first new one to come on-stream for several years. This will be a major turning point for Aminex as it progresses from being an explorer and developer into an East African producer.

## NYUNI AREA PSA

After further detailed technical review Aminex and its partners will focus their efforts on the deep water portion of the Nyuni Area acreage. The Company has applied to TPDC to vary the Nyuni Area work programme for the shallow water seismic obligation, originally planned for this year, to be converted to deep water 3D seismic in the outboard sector of the PSA area, off the continental shelf, where Aminex has identified a large potential prospect. This is analogous to some of the recent major deep water discoveries in the vicinity. The proposed deep water seismic programme will not be conducted until an appropriate vessel is in the area. The Company is unlikely to drill an expensive deep water well in the Nyuni Area in the foreseeable future without introducing a larger company as a farm-in partner.

## U.S.A.

Aminex has recently announced that it has signed a Heads of Terms agreement to sell its wholly-owned subsidiary Aminex USA, Inc. to Northcote Energy Ltd. This proposed sale is in line with the long-stated intention to exit the USA and focus on growing a production and development business in Africa where two existing discoveries are further reinforced by high impact exploration opportunities. The buyer of the US subsidiary is undertaking to spend capital to develop the US projects and under the terms of the Heads of Terms agreement, the Company will benefit directly from production increases arising from the buyer's

ongoing investment. The formal Sale and Purchase Agreement is being prepared and completion of the transaction will be subject to shareholder approval. The effective date of the transaction will be 1 May 2014 and all obligations and liabilities from that date going forward will remain with Aminex USA, Inc.

## EGYPT

The operator of the West Esh el Mellaha-2 PSC ('WEEM-2') has successfully negotiated an extension to the First Extension period and a progress report will be issued as developments occur. The Company has a 10% effective interest in this PSC, free-carried through to first commercial production.

## OILFIELD SERVICES BUSINESS

AMOSSCO, the Company's wholly-owned oilfield services and supply subsidiary, continues to support Aminex's African projects, particularly at times when the Company is drilling, and provides supply and logistical services to other international oil and gas companies, primarily in remote regions.

## STRATEGY, FINANCING AND OUTLOOK

Aminex's new management is focusing on the Company's Tanzanian assets where additional gas supplies to drive the country's economic growth are of national importance. Aminex works closely with the Tanzanian authorities, particularly the TPDC with whom it enjoys an excellent and cooperative relationship. The Company's first priority is to bring gas from the Kiliwani North Field to market in less than a year from now, as the major regional pipeline under construction progresses according to plan. The second priority is to appraise the Ntorya-1 discovery within the Ntorya appraisal licence and better understand it and its neighbouring leads and prospects in the two exploration licences which the Company holds under the Ruvuma PSA. Good progress is now being made in this area through the ongoing seismic acquisition programme. Time is limited on the Ruvuma PSA, which expires towards the end 2016, but the programme is manageable. A developed gas field in the Ruvuma PSA would find a ready market in Dar es Salaam via TPDC's new regional pipeline and the fast-tracking of such a development would certainly be encouraged and assisted by the Tanzanian authorities. The Company's third priority is to appraise with seismic the interesting prospect identified in the deep water portion of the Nyuni Area PSA.

In February 2014, the Company received shareholder support for a \$15 million fundraising which was successfully completed and which has assisted the seismic acquisition over the Ruvuma and enabled the Company to meet its outstanding commitments. The Company continues to seek financing solutions which will allow it to expand its activities while paying down its existing loan finance as soon as possible. This effort will be supported by production revenues in Tanzania and a continuing contribution from the USA as the buyer of the US assets invests to increase production.

### Glossary of initials used

<i>MMSCFD</i>	<i>Millions of standard cubic feet of gas per day</i>
<i>PSA</i>	<i>Production Sharing Agreement</i>
<i>PSC</i>	<i>Production Sharing Contract</i>
<i>Pmean</i>	<i>Average (mean) probability of occurrence</i>
<i>BOE</i>	<i>Barrels of oil equivalent</i>
<i>MCF</i>	<i>Thousands of cubic feet of natural gas</i>

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