

30 April 2020

FINAL RESULTS FOR YEAR ENDED 31 DECEMBER 2019 AND ANNUAL REPORT

Aminex PLC ('Aminex' or the 'Company') is pleased to announce its audited financial results for the year ended 31 December 2019.

Highlights

Outlook:

- Mtwara Licence extension granted for one year, satisfying one of the last remaining conditions precedent to the Farm-Out transaction with ARA Petroleum Tanzania Limited ("APT")
- Implemented further cost reduction initiatives expected to realise additional savings of around 25% on top of the cost reductions achieved in 2019 with current expenditure expected to be around 50% of 2018 levels
- Company is right sizing and right skilling as it transitions from operator to non-operator of its key asset, focussed on strategic growth and consolidation opportunities

During 2019:

- Funding agreement signed with ARA Petroleum LLC which advanced US\$3 million cash consideration, in installments, pending completion of the Ruvuma PSA Farm-Out
- Equity issue of US\$2.2 million, after transaction expenses, successfully completed
- 30% cost savings achieved in 2019 on like-for-like gross administrative expenses
- Loss for the year of US\$15.2 million, of which US\$12.3 million is due to non-cash impairments (2018: loss of US\$48.5 million, of which US\$43.8 million is due to non-cash impairments)
- APT and Aminex agreed to accelerate pre-drilling and seismic activities in Ruvuma
- Submission with the Ministry of Energy for the Nyuni Area PSA to be granted a Second Extension Period with amended work commitments

The Annual Report may be viewed on the Company's website www.aminex-plc.com by clicking on the following link:

[Aminex PLC Annual Report 2019](#)

The Company will announce details of the Annual General Meeting in due course, noting the UK and Irish Governments' respective 'Stay at Home' measures introduced to deal with the COVID-19 pandemic, including the prohibition of public gatherings of more than two people.

Paper copies of the Annual Report together with the Notice of Annual General Meeting, including the Form of Proxy, will be mailed shortly to those shareholders who have elected to receive paper copies.

The Chairman's Statement and Chief Executive's Report from the Annual Report follow below:

Chairman's Statement

Dear Shareholder,

Introduction

We live in unprecedented and challenging times; COVID-19 has had a huge impact across the oil and gas industry and, coupled with the recent dispute over oil production volumes between Saudi Arabia and Russia, has led to a very significant drop in oil and gas prices. Our operations in Tanzania are essentially protected from such movements due to current zero production and a future gas price that is not pegged to the oil price. My statement that follows is therefore offered against this backdrop of uncertainty.

Despite another year of frustration, due to the continued ongoing delays to obtaining the approvals required to progress our business interests in Tanzania, 2019 was a year of change at Aminex, beginning with my appointment as Chairman in February and the appointment of Tom Mackay as Interim Chief Executive Officer in May, following the departure of Jay Bhattacharjee. These appointments followed that of Linda Beal as a Director in January. In September, Robert Ambrose replaced Sultan Al-Ghaithi as one of the two nominated Non-Executive Directors appointed by our major investor and shareholder, Eclipse Investments LLC, an associated company of The Zubair Corporation. While the Board settled into these changes, we continued to eagerly push for approvals from the Tanzanian government to facilitate the conclusion of our Farm-Out of a 50% interest in the Ruvuma PSA to another associated company of The Zubair Corporation ("Farm-Out"), ARA Petroleum Tanzania Limited ("APT").

This Farm-Out, long in the making, continues to excite the Board for what it can deliver to the Company. As previously described, once completed, the Farm-Out should see the Company fully carried to material levels of production and revenue without the need to return to shareholders for any additional funding for Ruvuma.

While we continued to experience delays to this game changing project, the Board was conscious in the intervening period to use time wisely. By reducing corporate overheads, including reducing General and Administrative costs ("G&A"), we succeeded in achieving better efficiencies whilst maintaining capability and competency, thereby building a more robust derisked business that would assist in creating or attracting strategic opportunities. In this period, we have conserved capital, and reduced the impact on shareholders and I am happy to report that we have successfully achieved significant gains in these areas. However, the very recent effects of the COVID-19 virus and its impact on the oil price may lead to a further round of cost cutting and consolidation during this new period of high uncertainty whilst we wait to receive the Tanzanian government consents.

2019 Activity

In February, we took a strategic decision to complete a fundraising for US\$2.36 million to accelerate development over our Kiliwani North Development Licence and Nyuni Area PSA and take advantage of depressed market conditions in the service industry whilst awaiting completion of the Farm-Out. With this capital, we were able to reprocess existing 2D seismic and plan for the acquisition of new 3D seismic over both the Kiliwani North Development Licence and the area adjacent within the Nyuni Area PSA.

We continue to see value in Kiliwani operations and have looked into remedial work to restart production from our Kiliwani North well. In August, we updated shareholders on this process and noted that we continue to seek to source equipment to perform the re-entry and remedial work which has been designed to be carried out at minimal cost. Unfortunately, we continue to await upon approvals from the Tanzanian

authorities to commence the operations and look forward to updating shareholders on progress in due course.

In March, following discussions with APT, we agreed to extend the longstop date of the Farm-Out until 31 July 2019. In subsequent announcements we have since further extended the longstop date to 30 June 2020 and have agreed that another associate company of The Zubair Corporation, ARA Petroleum LLC (“ARA”) will provide a US\$3 million advance in instalments to the Company, ahead of completion of the Farm-Out; providing the Company with financial support pending completion. Whilst it is frustrating to experience these continual delays, we are pleased that we have the continued support from ARA to persevere and close the Farm-Out. With this support, it is clear that ARA and APT are aligned with the joint venture parties in recognising the value of our interest in Ruvuma and are focused in seeing this project through to production.

In June, we decided to cancel our listing on the Euronext Dublin exchange as a necessary step to secure the appropriate flexibility afforded by the transfer to the Standard listing segment in London. This was a step which helpfully dovetailed with our focus on reducing expenditure.

Towards the end of the year, in November, the Company announced that Max Williams was to step down from the Board and from his position as Chief Financial Officer and be replaced by John Arthur via an internal promotion.

Tanzanian Developments

During 2019 and 2020 we have been focused on satisfying the various conditions precedent for completion of the Farm-Out and, as reported earlier this month, the Company has received the Mtwara Exploration Licence. As part of the ongoing process to obtain Tanzanian Government approval, the Company, with the support of its Tanzanian tax adviser, has been in discussions with the Tanzania Revenue Authority (“TRA”) regarding any taxes payable on the Farm-Out. All taxes must be paid before the TRA can grant the necessary Tax Clearance Certificate which is a legal requirement to enable the Minister of Energy to approve the Farm-Out. The TRA’s assessment of the Capital Gains Tax (“CGT”) on the Farm-Out was US\$2.2 million. The Board decided that although it disagreed with the basis for the CGT calculation, following a period of intensive discussions with the TRA to reduce the CGT, to avoid further potential significant delays, it was in the best interests of the Company to accept this CGT charge in order to expedite the completion of the Farm-Out, which delivers considerable value to Aminex and its shareholders. ARA has agreed in principle to provide a further advance of US\$2 million to Aminex to enable the Group to pay the monies due to the TRA, which will be repaid to ARA from the consideration due on completion of the Farm-Out. The TRA have confirmed that on receipt of the CGT, plus stamp duty payable by APT, they will issue the Tax Clearance Certificate, which allows the Minister of Energy to grant his approval to the Farm-Out. The Tax Clearance Certificate and the Minister’s approval are the only remaining conditions for completion of the Farm-Out. We remain in close contact with the Tanzanian government and the relevant authorities to ensure the Farm-Out is completed as soon as possible.

Our 2020 Work Programmes and Budgets, for all licences in Tanzania, have been submitted to the government for approval and includes a gross contingent budget of approximately \$40 million for Ruvuma PSA. The programme includes the drilling of the Chikumbi-1 well and the acquisition of an extensive 3D and 2D seismic survey over the Mtwara Licence, pending completion of the Farm-Out. I would remind shareholders that we will be fully-funded, as per the terms of the Farm-Out Agreement, for these activities. We further noted that ARA has appointed a management team to oversee its Tanzanian operations and agreed to fasttrack select Chikumbi-1 well pre-drilling activities.

There remains a significant and rising energy supply weakness in Tanzania, particularly when considered against demand, which highlights the importance of assets like Ntorya. We would also note to shareholders that we are likely to be supplying gas domestically and are therefore less impacted by global commodity price weakness once in production.

Outlook

This month, Robert Ambrose was appointed Interim Chief Executive Officer of the Company and Tom Mackay stepped down from his position of Interim Chief Executive Officer and as a Director of Aminex. I am delighted that Robert has agreed to become Interim Chief Executive Officer at this exciting time for the Company. I consider that the Company has a balanced and diverse Board with the requisite skills to source and assess future strategic growth and consolidation opportunities as it transitions from operator to non-operator of its key asset.

Despite the COVID-19 pandemic and these unprecedented challenges, in looking forward, I remain positive about the future of your Company whilst recognising that 2019 has been another frustrating year for shareholders. We have excellent assets in Tanzania, we have the financing to advance the Ntorya project on completion of the Farm-Out and we have an outstanding partner in APT, all of which will help to drive real growth and change in-country.

We sincerely believe that the gas sector in Tanzania is gradually unlocking after two years of stagnation, with the government working hard to deliver prosperity for its citizens.

I would like to close by thanking shareholders for their continued support and my gratitude to all the staff of Aminex and its subsidiaries, who continue to endure and work hard on delivering value from our portfolio. I look forward to providing further positive news on our activities throughout 2020.

Yours sincerely,

John Bell
Chairman

Chief Executive's Review

Introduction

I am pleased to present my first review after taking up appointment as Interim Chief Executive Officer this month. 2019 began with shareholder approval for the farm-out of a 50% interest in the Ruvuma PSA to The Zubair Corporation, a significant shareholder in Aminex through its investment company, Eclipse Investments LLC. Over the course of the year, the completion of the Farm-Out remained a primary focus for the Company but as we all know, it has been subject to ongoing delay. Fortunately, we have begun to see positive signs that the Tanzanian Government is working with producers in country to support Tanzania's power demands which is well in excess of current supply. We therefore remain extremely optimistic about the future of this project and what it will mean to the people and Government of Tanzania.

2019 also saw the appointment of John Bell as Chairman and Tom Mackay as Interim CEO upon the departure of Jay Bhattacharjee due to ill health. Together, John and Tom have overseen a policy of increased cash preservation and the significant reduction of G&A costs as we await the vital but essential government approvals.

Review of Operations

At the start of the year, we successfully raised US\$2.36 million which enabled the reprocessing of 2D seismic primarily over the Kiliwani North Development Licence and adjacent Nyuni Area PSA and the design of a relatively low-cost remediation intervention on the Kiliwani North-1 development well, approval for which remains outstanding with the Tanzanian authorities.

With respect to the ongoing Ruvuma Farm-Out and the drilling of the eagerly awaited Chikumbi-1 well, the Company and APT progressed on closing out and satisfying all conditions precedent within both parties' control for the Farm-Out to complete, including all joint venture partner approvals. We announced this month that we had received the long-awaited extension of the Mtwara Exploration Licence. The only condition still outstanding is the approval by the Tanzanian Government of the transfer of the 50% interest in the PSA and operatorship. Closing out the Farm-Out remains the Company's top priority and the Company and APT continue to work closely with the Tanzanian authorities to conclude these conditions precedent as soon as possible.

We are pleased that towards the latter part of 2019 and continuing into 2020, the Government has been seen to be actively resolving several long-standing issues with other operators in country to support Tanzania's growing power demands. These movements have provided confidence to the Company and APT and as such, we agreed to fast-track select Chikumbi-1 "pre-drill" activities with APT.

Meanwhile, the Company has applied for a 3-year extension of the Nyuni Area PSA with a revised work programme.

Financial Position

Aminex and ARA signed an advance funding agreement, whereby ARA will provide a US\$3 million advance in instalments to the Company, ahead of Completion of the Farm-Out, payments of which started in November 2019. Such payments were due to be paid as the first tranche cash consideration upon completion of the Farm-Out. Moreover, it was agreed to advance payment of the second tranche of the US\$2 million from 180 days after Completion of the Farm-Out to payment upon Completion.

The Company has continued with its commitment to reduce its G&A related expenses and to preserve cash in view of the delays to the completion of the Farm-Out and the lack of a resolution of the outstanding

payments for gas sales to the Tanzania Petroleum Development Corporation (“TPDC”) for Kiliwani North’s past production.

An important administrative decision was made earlier in the year which saw the transfer of the Company’s Premium listing to a Standard listing on the London Stock Exchange and a delisting from the Irish Stock Exchange. This has reduced the administrative burden on the Company and provides greater financial flexibility for a company of our size, market capitalisation and cash resources.

New Opportunities / Outlook

We continue to see an opportunity to meet the strong structural demand for domestic power in Tanzania and believe in the significant potential of our assets to deliver value for shareholders, from a low-cost base, which we have worked tirelessly to achieve this year.

The impact of COVID-19, since the UK and Irish Governments introduced measures to initially contain the spread of the virus in early March 2020, has had a profound effect on the industry and also on the daily operations of your Company. For example, we immediately introduced measures to promote hygiene and self-distancing within our office environments in both London and Dar es Salaam and have since followed with a “work from home” policy that has been successfully implemented in the UK. We continue to closely monitor the development of the virus within Tanzania and its potential impact on local operations.

During this period, the underlying value of our portfolio has been relatively unaffected due to its focus on gas rather than oil and the gas price in Tanzania is not pegged to the oil price. Furthermore, as first gas for Ruvuma is still some time away it is expected that the crisis should have abated by that time. However, we recognise that during this period of uncertainty, global equity markets will be severely impacted.

Although we remain focussed on the development of our Tanzanian assets, we recognise both the importance and expectation amongst our shareholders to diversify our portfolio and we continue to seek new development-led opportunities which could provide near-term revenues to the Group.

Robert Ambrose

Chief Executive Officer

Ends

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