

27 April 2020

AMINEX PLC
("Aminex" or "the Company")

Directorate Changes, Corporate and Covid-19 Updates

Following the announcement of the Mtwara Licence extension, one of the last remaining conditions required to close the Farm-Out Agreement with ARA Petroleum Tanzania Limited ("APT"), Aminex is pleased to provide corporate and Covid-19 updates:

Highlights:

- Robert Ambrose appointed interim Chief Executive Officer of the Company. Previously a non-executive director
- Aminex is right skilling and right sizing the Company to reflect non-operated position in its key asset and be positioned to source and assess future strategic growth and consolidation opportunities
- Aminex has implemented further cost reduction initiatives expected to realise additional savings of around 25% on top of the cost reductions of approximately 30% achieved in 2019 – current expenditure is expected to be around 50% of 2018 levels
- All directors sacrificing significant remuneration to save cash costs; UK staff costs to be reduced by over 20% on a temporary basis
- Limited impact of Covid-19 – Company's focus on gas exploration and development and fixed-price gas sales contracts – Aminex is largely shielded against fluctuations in global oil prices

Directorate Change

With immediate effect Robert Ambrose has been appointed interim Chief Executive Officer of the Company. His appointment is solely at the request of the Board of Aminex (minus the Eclipse-appointed directors). Previously a non-executive director of the Company, Robert was appointed a shareholder representative of Eclipse Investments LLC ("Eclipse") in September 2019. Such appointment ended yesterday as a condition of Eclipse's consent to the Board's request. Tom Mackay has stepped down from his position as interim CEO and as a Director of Aminex with immediate effect.

Robert was formerly the Chief Operating Officer of the Energy & Logistics Division of The Zubair Corporation LLC ("Zubair"). He retired from Zubair (after 20 years) on 22 September 2019 and is no longer an employee or consultant of Zubair or a representative of Eclipse on the board of Aminex or otherwise associated with Zubair, Eclipse, ARA Petroleum LLC or any of their subsidiaries or affiliates.

Robert has a Petroleum Engineering Masters from Imperial College, London, and a Mechanical Engineering Honours Degree from Brunel University in the UK. He has over 30 years' experience in the oil and gas industry, from downstream to upstream, covering many aspects of the supply chain and has experience in and held senior management roles involving the reservoir, well construction and production both onshore & offshore.

Right skilling and right sizing Aminex

We are right skilling and right sizing the Company for a world where our key asset, the Ruvuma PSA, goes from being an operated asset to a non-operated asset following the successful license extension

and the exceptional Farm-Out to APT, which will hold 50% of the license leaving Aminex with a 25% interest and a full carry to potentially significant volumes of production. As a reminder to shareholders, the Farm-Out includes a full carry for a minimum work programme including the drilling, completion and testing of the Chikumbi-1 well, the acquisition of 3D seismic over a minimum of 200 km² within the Ntorya area, and potentially all further production wells and infrastructure as required to propel the project to its estimated P50 production level of approximately 140 MMcf/d (gross project levels), as shown in an io Ntorya commercialisation study; io is a joint venture between Baker Hughes and McDermott. The full carry for our share of costs up to \$35 million in respect of our remaining 25% interest implies a potential expenditure during the carry period of up to \$105 million for the aggregate 75% working interest held by ARA and Aminex.

Even though we are carried, in a success scenario, beyond first gas and to material cash flows from Ruvuma, we are implementing further cost reduction initiatives to make the Company resilient during the current downturn and expect to have removed approximately US\$2.5 million of gross G&A costs from the Aminex business over the last 2 years reducing our gross G&A costs by around 50% from 2018 levels. The Board is now reduced from seven directors at the start of 2019 to four directors currently. In addition, the Chairman, John Bell and the Senior Independent Director, Linda Beal will take on additional roles and responsibilities at this challenging and uncertain time, as the focus moves from operating capabilities in Tanzania to assessing strategic growth and consolidation opportunities to benefit shareholders. We have further right sized and right skilled the business for our new strategy, and on top of the cost reductions of approximately 30% achieved in 2019, we expect additional savings of circa 25%.

Robert Ambrose, our new CEO, will receive an annual salary of £60,000 (a reduction of almost 70% from the £180,000 salary of the previous CEO) and will be awarded Stock Options in lieu of cash, the quantum to be agreed and announced in due course. In addition, with effect from 1 April 2020, non-executive Directors John Bell and Linda Beal have given up all their director fees, for Stock Options, the quanta also to be agreed.

Some of our staff have now been Furloughed and the whole UK management team have taken a 20-40% temporary reduction in salary to assist the Company's cashflow. The senior management team will be compensated with Stock Options, the quanta to be agreed, and we recognise the extraordinary efforts and commitment of the management team to deal with their increased workload in a very challenging market.

The director and staff remuneration savings will reduce cash outgoings by around US\$75,000 per month, giving an indicative annual saving of circa US\$900,000 comprising savings in director fees of circa US\$400,000 and in staff salaries of circa US\$500,000 per annum. This, coupled with savings in other G&A costs, means the Company is preserving as much cash as it can to ensure it is resilient during the current downturn whilst having a strong director and senior management team for an entrepreneurial Company seeking strategic growth.

The Board believes the reduction in cash salaries with Stock Options granted in lieu, to be good financial prudence in the current challenging business climate. Our aim is to conserve cash and to provide the expertise and experience to re-align the culture of Aminex from one of a sole territory East African operator, to a more nimble, creative, entrepreneurial, strategic growth engine.

Covid-19 impact

In these unprecedented times, the priority for the Group is the health and wellbeing of its employees and wider stakeholders.

With the Group's business focus on gas exploration and evaluation and fixed-price sales contracts, it is shielded against the current fluctuations in the global oil price.

The first quarter of 2020 has seen the material drop in global equities as a result of the pandemic coupled with the drop in oil price impacting the sector, which the Group has not been immune to despite not being an oil producer. The Directors recognise that the current macro-economic environment may result in limited or more expensive sources of funding.

It is likely that if the restriction on movement continues for a significant period, there may be a delay in the Group's operations in Tanzania as access to sites, personnel and equipment may not be possible. The Group will consequently carefully review any capital asset investment decisions and take further action to reduce costs if necessary.

John Bell, Chairman of Aminex commented:

"I am delighted Robert has agreed to become interim CEO and I look forward to working with him in his new role, as the Company moves into a development phase. On behalf of the Board, I would like to thank Tom for his contribution to the Company over the last five years.

Cutting costs is the right thing to do as we right-skill Aminex for a phase of strategic growth which will follow the farm-out of our key asset, where we retain a 25% non-operated position.

During the Covid-19 outbreak, our key concern is the safety and wellbeing of our staff. The Board considers there to be a limited impact of Covid-19 with the Company's focus on gas exploration and development and, with fixed-price gas sales contracts, Aminex is largely shielded against fluctuations in global oil prices."

Ends

The information contained within this announcement is considered to be inside information prior to its release, as defined in Article 7 of the Market Abuse Regulation No. 596/2014, and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

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