

18 July 2019

Coro Energy plc
("Coro" or the "Company")

Restructured Bulu PSC Acquisition Terms

Coro Energy plc, the Southeast Asian focused upstream oil and gas company, announces that it has renegotiated the terms of the proposed acquisition by the Company of a 42.5% interest in the Bulu production sharing contract ("PSC"), offshore East Java, which contains the Lengo gas field (the "Acquisition").

The original terms of the Acquisition were announced by the Company on 3 September 2018 and the consideration payable by the Company included a cash consideration of US\$ 6.96 million (the "Cash Consideration") and back costs and other working capital adjustments estimated to be approximately US\$ 1.04 million (the "Reimbursement Amount"), which were both to be paid by Coro in cash to AWE Limited ("AWE") on closing of the Acquisition, and up to US\$4 million in new Coro ordinary shares to HyOil (Bulu) Pte. Ltd (the "Equity Consideration").

Under the revised Acquisition terms, the Cash Consideration and the Reimbursement Amount payable by the Company to AWE has been restructured such that it will now be payable in four tranches:

- US\$ 2.5 million on completion of the Acquisition ("Completion"), which will include both US\$ 1.46 million of the Cash Consideration plus the Reimbursement Amount;
- US\$ 1.5 million on 1 September 2020;
- US\$ 2.5 million on the sooner of (i) the Bulu PSC partners agreeing final investment decision ("FID") to proceed with the financing, development and construction of the project pursuant to the approved plan of development; or (ii) 1 July 2021; and
- US\$ 1.5 million on the sooner of (i) the date of commencement of commercial production from the Bulu PSC; or (ii) 31 December 2022.

All other terms of the Acquisition remain as originally announced

including the payment of the Equity Consideration payable to HyOil in three tranches:

- US\$ 2 million on Completion which will be satisfied by the issue of 42,434,465 new ordinary shares in the Company ("Ordinary Shares") at an issue price of 3.6255 pence per new Ordinary Share, being equal to the 30 day volume weighted average price of the Ordinary Shares at the time of announcement of the Acquisition on 3 September 2018;
- US\$ 1 million on signature of a first gas sales agreement ("GSA"), satisfied by the issue of new Ordinary Shares issued at a price equal to the last closing price of the Ordinary Shares, as reported by the London Stock Exchange ("LSE"), on the date immediately following the date of signing the GSA; and
- US\$1 million in new Ordinary Shares following the start of commercial production from the field. These Ordinary Shares to be issued at the closing price of the Ordinary Shares as reported on LSE on the date falling five months and three weeks from production start-up.

Completion of the transaction remains conditional on, *inter alia*, JV partner pre-emption and regulatory government approvals prior to a long stop date of 2 December 2019.

James Menzies, Chief Executive Officer, commented:

"This re-negotiation with the asset vendor extends the consideration payment schedule out to first commercial gas production and allows more time for regulatory approvals to be obtained. This both helps de-risk the investment on Coro's behalf, whilst also preserving cash in order to build the Company's portfolio further.

We look forward to both completing the acquisition in due course and concluding an agreement for the sale of Lengo gas, as the next significant milestone in taking this project forward."

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