

Termination of Bulu PSC Acquisition
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Coro Energy PLC
31 January 2020

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Coro Energy plc

("Coro", the "Company" and together with its subsidiaries the "Group")

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Coro Energy plc, the Southeast Asian focused upstream oil and gas company, announces that, following the successful drilling at the Duyung PSC, the Group is pursuing its strategy to grow through acquiring material, low risk assets with significant upside and will therefore no longer proceed with the acquisition of a 42.5% interest in the Bulu PSC, offshore Indonesia, the revised terms of which were announced on 18 July 2019 (the "Bulu Acquisition").

As previously announced on 3 December 2019, the long stop date for completion under the Bulu Acquisition agreement of 2 December 2019 (the "Long Stop Date") had passed without the Bulu Acquisition having completed and that, with regulatory governmental approval processes continuing (the "Approvals"), the parties were in the process of negotiating a further 6-month extension to the Long Stop Date to accommodate the additional time required for the Approvals to be received (an "Extension").

Following the recent successful drilling campaign on the Duyung PSC, together with the growing number of sizeable M&A opportunities in the region, Coro can be selective about the assets it chooses to bring into its portfolio. In that context, with the Approvals still outstanding and there being concerns around the future of the operating partner, the potential changes to the composition of the Bulu partnership group and the possibility of new requirements being introduced in satisfying the Plan of Development at Bulu, the Board views the risks associated with the Bulu Acquisition from Coro's perspective to have significantly increased. As such, the Company will not be entering into an Extension and has allowed the Bulu Acquisition agreement to lapse in accordance with its terms. The Bulu Acquisition will not therefore proceed.

The consideration for the Bulu Acquisition, which will not now be paid by the Company, was to be satisfied through total payments, in tranches, of US\$6.94 million in cash, together with an additional US\$1.04 million in working capital adjustments to AWE Limited. In addition, the Company

was to pay an additional US\$4 million by way of the issue of new Coro ordinary shares to Hyoil (Bulu) Pte. Ltd.

With the Bulu Acquisition not proceeding, this consideration will no longer be paid, preserving Coro's cash balances to progress other areas of its portfolio, including the Duyung PSC, and removing the need to issue further new ordinary shares in relation to this transaction. Overall, Coro's net expenditure specific to this transaction has amounted to approximately US\$250,000.

James Menzies, Coro's Chief Executive Officer, commented:

"As we look to build our portfolio, we recognise the importance of being highly selective in identifying the right projects to pursue whilst also managing our funds in the best interests of shareholders. We are excited by the opportunities we see to build a business of scale in South East Asia, with a portfolio that would include both current production as well as both long- and near-term growth assets. With that in mind, the increased risks around the Bulu project have led us to terminate the transaction, allowing us, with 2020 shaping up to be a highly active M&A market in the region, to focus our resources on opportunities that can provide near-term impact on the Company and value to its shareholders."

The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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