

Press Release

31 July 2020

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

Arkona Acquisition - Legal Dispute Update

Enwell Energy plc (AIM: ENW), the AIM-quoted oil and gas exploration and production group, provides an update on the Ukrainian legal proceedings relating to the Svystunivsko-Chervonolutskyi exploration licence (the "Licence") in Ukraine, which is held by LLC Arkona Gas-Energy ("Arkona"), which was acquired by Enwell in March 2020 (see announcement dated 24 March 2020).

As announced on 3 July 2020, NJSC Ukranafta, as claimant, has brought legal proceedings against Arkona, as defendant, in which NJSC Ukranafta has made claims asserting that irregular procedures were followed in the grant of the Licence to Arkona in May 2017. NJSC Ukranafta was the holder of a previous licence over this area which expired prior to the grant of the Licence. Arkona is defending the claims in such legal proceedings and asserts that the claims are unwarranted and without merit.

In early July 2020, the First Instance Court in Ukraine announced a ruling in favour of NJSC Ukranafta, and subsequently delivered its full decision and written judgement, which found that the grant of the Licence was irregular, which would mean the Licence is invalid.

The Company and Arkona have carefully reviewed this decision and written judgement with their legal advisers in Ukraine, and consider there are strong grounds for a successful appeal. This view is supported by the fact that the subject matter of these legal proceedings, including the validity of the Licence, has already been ruled upon by the Supreme Court of Ukraine in similar proceedings in October 2019 involving, inter alia, NJSC Ukranafta and Arkona, and in which the Licence was held to be valid.

Accordingly, an appeal has been filed by Arkona in the Appellate Administrative Court in Kyiv. Pending the outcome of the appeal process, the Licence remains valid.

Under the terms of the acquisition agreement for Arkona, half of the consideration payable (split into two equal tranches) was deferred and only payable on satisfaction of certain conditions including the favourable resolution of these legal proceedings, as well as certain other conditions, with the further proviso that if the conditions for payment of these deferred tranches are not satisfied, then neither of these tranches shall become payable.

In addition, the Company's offices in Kyiv and Yakhnyky, where its Mekhediviska-Golotvshinska ("MEX-GOL") and Svyrydivske ("SV") fields are located, have been visited by officers of the National Anti-Corruption Bureau of Ukraine ("NABU"), who were seeking documentation in connection with a criminal investigation by the NABU against the State Geological Agency in relation to the grant of the Licence in May 2017. The documentation sought is generally related to the Company's acquisition of Arkona in March 2020.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

Press Release

For further information, please contact:

Enwell Energy plc

Chris Hopkinson, Chairman
Sergii Glazunov, Chief Executive Officer
Bruce Burrows, Finance Director

Tel: 020 3427 3550

Strand Hanson Limited

Rory Murphy / Richard Tulloch

Tel: 020 7409 3494

Arden Partners plc

Ruari McGirr / Dan Gee-Summons (Corporate
Finance)
Simon Johnson (Corporate Broking)

Tel: 020 7614 5900

Citigate Dewe Rogerson

Louise Mason-Rutherford / Elizabeth Kittle

Tel: 020 7638 9571