

## Press Release

4 November 2022

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

### **Arkona - Legal Challenge to Validity of SC Licence**

Enwell Energy plc (AIM: ENW), the AIM-quoted oil and gas exploration and production group, provides an update regarding further Ukrainian legal proceedings in respect of its 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).

Since the Company completed the acquisition of Arkona, there have been a number of legal challenges relating to the Licence. As announced on 3 July 2020, PJSC Ukrnafta ("Ukrnafta"), as claimant, brought legal proceedings against Arkona, as defendant, in which Ukrnafta made claims asserting that irregular procedures were followed in the grant of the Licence to Arkona in May 2017. Ukrnafta also brought these proceedings against the State Service of Geology and Subsoil of Ukraine ("SGS"). Both Arkona and SGS disputed these claims. In these proceedings, the First Instance Court in Ukraine made a ruling in favour of Ukrnafta, determining that the grant of the Licence was irregular, and accordingly, the Licence would be invalid. Arkona filed an appeal of this decision in the Appellate Administrative Court in Kyiv, and on 29 September 2020, the Appellate Administrative Court ruled in favour of Arkona, overturning the earlier decision of the First Instance Court. Ukrnafta filed a further appeal in the Supreme Court in Kyiv, and in February 2021, the Supreme Court ruled that the arguments raised by Ukrnafta in the appeal were not substantiated, and that the proceedings against Arkona should be dismissed. The decision of the Supreme Court represented the final appeal procedure in respect of these legal proceedings, and accordingly, these proceedings against Arkona were exhausted.

Prior to the Company's acquisition of Arkona, Ukrnafta had previously issued legal proceedings in 2018, raising substantially the same claims, which proceeded through the First Instance Court and Appellate Administrative Court, before a final appeal was determined by the Supreme Court in October 2019, in which Ukrnafta's claims were denied.

In April 2021, an entity named JV Boryslav Oil Company ("Boryslav"), which is 25.0999% owned by Ukrnafta, issued a further legal claim, also claiming that irregular procedures were followed in the grant of the Licence, which claim was denied by the First Instance Court in July 2021 and by the Appellate Administrative Court in October 2021. There was no further appeal in this case and so the decision of the Appellate Administrative Court in these legal proceedings is final.

In September 2021, Boryslav issued a further legal claim, again claiming that irregular procedures were followed in the grant of the Licence, against the SGS, the State Commission of Ukraine for Mineral Resources ("SCP") and Arkona, as defendants, with Ukrnafta named as a third party. In this claim, the First Instance Court made a ruling in January 2022 in favour of Boryslav. This ruling was appealed to the Appellate Administrative Court, and on 2 November 2022, the Appellate Administrative Court made a ruling in favour of Boryslav, to uphold the decision of the First Instance Court, with the effect that the Licence is now ruled invalid. The effect of this latest ruling is that the Company cannot conduct any field

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activities on the Licence area. It is now intended to appeal this decision of the Appellate Administrative Court to the Supreme Court.

The Company's announcements dated 24 March 2020, 3 July 2020, 31 July 2020, 30 September 2020, 23 November 2020 and 11 February 2021 provide additional information.

Sergii Glazunov, Chief Executive Officer, said: *"While we are extremely disappointed by this adverse ruling made by the Appellate Administrative Court, which we believe is unjustified, particularly having regard to the previous decisions made by the Supreme Court in favour of Arkona, we intend to pursue all measures to challenge this ruling and protect our legal rights to this Licence area."*

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014, which forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

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