

**Coro Energy plc Q&A**  
**Thursday 4 March 2021**

Administrator (at Coro Energy plc)

Good morning, and thank you for joining our Q&A session this morning. We are pleased to have Mark Hood, Michael Carrington and Peter Christie with us, and are looking forward to responding to your questions. We have also received a number of questions via email which we will be responding to also.

Question from CoroAdministrator

Question from Email - What is the substance of this acquisition ? It appears to be little more than a shell.

Peter Christie (Coro Energy)

GEPL has originated and matured an early stage portfolio of renewable energy projects in South East Asia, with a focus on the Philippines, Vietnam and Indonesia. Work done to date on these projects includes pre-feasibility (technical and commercial) and development of key in-country relationships with governments, landowners, EPC contractors, providers of finance etc. The potential economic returns from individual projects are significant, though the projects carry planning and permitting risks inherent with projects at this stage of their life cycle. Our view is that we can quickly unlock latent value from these projects with relatively little capital and that is our logic for the acquisition and accompanying fundraise. This acquisition accelerates our transition to a low carbon energy company, and given we exceeded our minimum target fund raise of £3m, we see this as an endorsement of the acquisition and our wider strategy. These are also operated projects, which is in contrast to our interest in the Duyung PSC and our investment in ion Ventures. As well as acquiring this pipeline, we bring in new executives with a blend of oil and gas and clean energy experience, who will strengthen our Board and management team and enable us to deliver on our regional strategy. And lastly, we see this deal as being complementary to the ion Ventures investment. Our project pipeline consists of onshore wind and solar opportunities, and these could be co-developed with ion Ventures, who specialise in energy storage. There is also the opportunity to leverage each company's networks and expertise across the region. For example, ion is active in Thailand, an area where GEPL has not yet spent significant time.

10:06 AM

Question from CoroAdministrator

Question from Email - You have said very little on Duyung, is that because of a NDA?

Peter Christie (Coro Energy)

Duyung continues to progress, and there are two key commercial milestones we expect to be achieved in 2021. The first is approval of an updated Plan of Development, which will take into account the larger resource base we announced in May 2020. The other is signature of a Gas Sales Agreement, which the operator is also targeting for later in 2021.

10:07 AM

Question from CoroAdministrator

Question from Email - Does coro have any say in the Duyung development / sale process?

Peter Christie (Coro Energy)

Coro participates in the Duyung venture through a Joint Operating Agreement, which allows us to input into the key decision making of the venture. There is no encumbrance on Coro marketing its 15% share of the project for sale either separately or together with the operator, subject to partner pre-emption and tag / drag contractual rights.

10:09 AM

Question from CoroAdministrator

Question from Email - If Duyung is to be sold outright at some point, why is Coro raising such alot of cash at such a low price?

Peter Christie (Coro Energy)

This fund raise enables us to continue to fund our share of cash calls through to a Final Investment Decision which is targeted for mid-2022. This provides optionality and at this stage we are keeping all options on the table - outright sale, farm-out and retaining our 15% interest through the development phase and into production  
10:11 AM

Question from CoroAdministrator

Question from Email - Firstly will Conrad lead on the farm out in the short term of the Coro wi on Duyung PSC & if so, will Coro have any input or control of the farm out.? Is " short term " likely to be in Q1 ?

Peter Christie (Coro Energy)

Any decision to farm out or sell the Duyung PSC, either separately or together with the operator, would have to be subject to a RNS so I am afraid we cannot easily comment in the Q&A.  
10:12 AM

Question from CoroAdministrator

Question from Email - The Duyung PSC is clearly a good asset. Why did you change from an oil and gas strategy to clean energy?

Mark Hood (Coro Energy)

The energy transition is undeniably already well underway, including in SE Asia. There will of course be a continuing role for gas as a bridge fuel due to its relatively low CO2 emissions when used in power generation compared to coal. The gas demand from Singapore and elsewhere in the region really underpins the value of our Duyung asset and we are confident in the commercial potential of that project, which generates strong returns even at commodity prices much lower than we are seeing currently. We also see exciting opportunities in clean energy. The cost of deploying renewables has fallen significantly in the past 10 years and renewables are now cost competitive with fossil fuels in many countries. There is a recognised need for rapid deployment of renewables and energy storage to meet climate goals, and this will create a positive environment for investment in the sector. We also see opportunities for good returns in the sector for a small company like Coro by acquiring small developers/assets in their early stages, and adding value to projects through the initial development stages such as planning and permitting. This can lead to strong rates of return for individual projects without significant capital outlay. When projects are fully permitted, they are very attractive to debt and equity providers given the relatively low risks associated with construction and operation, and the positive ESG impact.  
10:16 AM

Question from roger

With the directors option incentive package set at such a low price( lower than the share price for the last few weeks). If that's all the company thinks it can aspire to, why should anyone invest?

Peter Christie (Coro Energy)

Thanks for the question - its important shareholders understand the design of the LTIP. The awards to the executives will only vest if the company's share price performs well against a peer group of 20 companies in the energy sector. There is an additional condition which says that none of the options will vest without the share price being at least 15% higher than the placing price. So if the company does not perform well against its peers, and the share price doesn't improve by at least 15%, the options will be worthless. We see this creating strong alignment between management and shareholders  
10:22 AM

Question from CoroAdministrator

Question from Email - With regard to Duyung any idea when the GSA will be signed? Are you going for a partial sale or giving up a percentage to participate in the development?

Peter Christie (Coro Energy)

The operator is targeting signature of GSA later in 2021. As mentioned in an earlier response, all options remain on the table with regards to monetisation of our 15% interest.  
10:26 AM

Question from coroinvestor

What revenue/income will be derived from the GEPL acquisition on a per project basis?

Mark Hood (Coro Energy)

The acquisition of GEPL gives Coro access to a large portfolio of renewable energy projects. In the mid term we will be potentially able to access revenue streams through project execution at the different stages of the project life cycle. As the initial projects are early stage the opportunity to add value as we progress will increase much larger. We'll update our shareholders as the projects progress

10:29 AM

Question from CoroAdministrator

Question from Email -His remuneration appears to be excessive which brings me to the question of his discretionary incentive bonus of 37,500,000 share options at 0.1p per ordinary share. Is that 0.1p in actual fact 1 penny, or one tenth of a penny or one hundredth of a penny? I ask this because the placing price for the open offer is 0.4p whereas it is 0.004p. All these decimal points get confusing when the sp drops over 95% and enters the realms of sub pence.

Peter Christie (Coro Energy)

Thanks for the question, please see earlier response regarding the LTIP scheme and the logic of the Remuneration Committee in designing the scheme in this way

10:30 AM

Question from coroinvestor

It makes clear sense to keep the full 15% of Dyung to reap fabulous revenues/income. Basic maths says Coro's 15% share of 150mmcf/d prod per day at \$9mmcf/d = nearly \$74million in revenue per annum over at least 15 year field life potentially over 20 years with further drilling of deeper prospects. So will Coro keep its 15%?

Peter Christie (Coro Energy)

I won't comment on your specific numbers but we agree that the Duyung project has attractive commercial metrics. As I said in an earlier response, all options are on the table, including retaining our 15% interest through the development stage and into production

10:34 AM

Question from CoroAdministrator

Question from Email - Secondly why is the potential Duyung GSA in Q4 2021 considering that the HOA with Sembcorp was signed so long ago in 2020? Also will there be a second GSA with Jakarta as well as Singapore as mentioned by Dr Eliet in his interview in May 2020.

Peter Christie (Coro Energy)

As operator, Conrad leads on the GSA negotiations. We would imagine the past 12 months have presented a challenging backdrop for these negotiations given the fluctuation in commodity prices and inability to travel. We are seeing some stability in the market now and all parties are optimistic of an agreement being signed in 2021. Selling gas into both Singapore and Indonesia remains under consideration.

10:35 AM

Question from CoroAdministrator

Question from Email - Thirdly in view of the current high gas prices will this be reflected in high GSA values. The two previous GSAs with Sembcorp in 1999 & 2008 were valued at US\$9 billion in total as per press releases.

Peter Christie (Coro Energy)

Ultimately the price is a negotiation however we would expect it to be heavily influenced by the spot price and also the forward curve, together with the buyers long term view. Singapore prices are likely to be Brent linked.

10:36 AM

Question from CoroAdministrator

Question from Email - How do you see news flow going forward?

Michael Carington (Coro Energy)

Our initial focus will be on 200MW projects in the Philippines - a 100MW solar and 100MW onshore wind. We intend to continue the planning and permitting processes for those two opportunities, and there will be news flow as we reach milestones in the planning process over the next 3 to 6 months. Alongside that we have the Duyung commercial milestones referenced in an earlier question, this includes the updated Plan of Development and signature of Gas Sales Agreement. We are continuing to work with Ion Ventures on a number of initiatives, as well as Ion maturing their own pipeline, so we look forward to updating the market on their progress. And finally, we intend to commence discussions with bondholders regarding a restructuring of our Eurobond obligations, and this will take place in the second half of 2021.

10:37 AM

Question from CoroAdministrator

Question from Email - With regard to Mr Hood. As he is a co-founder of an insolvent private company I am perplexed that you will be appointing him as CEO of Coro Energy which after all is listed. All three private companies where he has been a director have been dissolved. Hardly inspiring.

Mark Hood (Coro Energy)

The Board and I believe I have the right blend of experience to lead the company going forward in combination with the existing Board. My experience spans leadership roles in clean energy and oil and gas and includes times at BP and Cairn Energy. Priority for the company is the ability to deliver the clean energy projects Coro have acquired. As with any CEO, I will be supported and guided by the Board of Directors who also have a breadth and depth of experience.

10:42 AM

Question from CoroAdministrator

Question from Email - Why did James Menzies leave?

Peter Christie (Coro Energy)

The reasons for James' departure were disclosed to shareholders last April when his departure was announced. With the company's strategy now focused on the energy transition and building a low carbon energy company, we are bringing in executives who we feel have the right skills and experience for delivering this strategy

10:45 AM

Question from CoroAdministrator

Question from Email - Are the directors taking placing shares? I note they have very few already.

Mark Hood (Coro Energy)

The GEPL founders, who will join as CEO and COO respectively, will have a large equity participation post GM, with these being shares locked in for 18 months, which will align interests with those of other Coro shareholders. The rest of the Board is non executive and therefore not involved in the day to day operation of the company but of course contribute to the strategy, funding choices and key priorities amongst other things.

10:48 AM

Question from coroinvestor

In relation to the bond debt restructuring at this time with interest rates at their lowest in recent history will Coro borrow more and if so by how much and for what purposes?

Peter Christie (Coro Energy)

We have not yet commenced discussions with bondholders, with maturity still more than 12 months away. Those conversations will happen later in the year. In terms of our overall capital structure, we review this regularly and consider wider market conditions as part of that review.

10:50 AM

Question from CoroAdministrator

Question from Email - With regard to the acquisition of GEPL how have you valued this private company at over £550k? It was founded in 2019 and according to companies house has £136 in assets and liabilities of £2715. Are we in the business of rescuing insolvent companies?

Peter Christie (Coro Energy)

Please refer to an earlier response regarding the value we see in GEPL and the logic for the acquisition

10:52 AM

Question from roger

Mark, what can you say to assure investors as your only previous leadership role was with a loss making company ?

Mark Hood (Coro Energy)

Having held leadership positions in BP and Cairn, the Board and I are confident in my ability to develop the organisation moving forward in the next stage of its energy transition. GEPL has been spending time devoted to developing a portfolio of projects which now require capital to progress further bringing in those returns.

10:53 AM

Question from CoroAdministrator

Question from Email - What are "screening" projects. Do they have any monetary value that would justify this acquisition?

Peter Christie (Coro Energy)

Please refer to an earlier response regarding the value we see in GEPL and the logic for the acquisition

10:54 AM

Question from steelwatch1

Anything to look forward to with Petronas and Malaysia?

Mark Hood (Coro Energy)

As we've mentioned, the business focus for Coro is on the transition into renewable and clean energy production and storage. The current portfolio allows us to bring in revenue generation through those opportunities.

11:03 AM

Question from coroinvestor

I have no problem Mr Hood & Mr Carrington coming in as CEO and COO. The great Warren Buffett says what makes great companies is capable honest and dedicated managers. Can coro confirm that all managers/officers of the company will live up to Warren Buffett Standards?

Michael Carrington (Coro Energy)

having just watched the Sky documentary "becoming Warren Buffet" I can say that the benchmark that Warren Buffet sets are those to which I aspire too and they will provide a guide for Mark and I to serve the company well

11:08 AM

Question from stevet

ion Ventures have been in the news recently testing a new battery. Are you making progress with that pipeline?

Peter Christie (Coro Energy)

We are excited about the partnership, and look forward to more news from ion this year on their projects. We have a right of first refusal to invest directly in ion's South East Asian projects and our evaluation of those projects is ongoing

11:08 AM

Question from roger

How do you as directors think this Q&A session is going? What would the timeline be for any revenue stream from the renewables venture?

Mark Hood (Coro Energy)

Happy to engage with our shareholders at every opportunity and look forward to doing so more regularly, assuming we receive approval in the GM. In terms of the revenue streams, we'll be updating all our investors as we progress the projects through the various stages of the project lifecycles.

11:14 AM

Mark Hood (Coro Energy)

On behalf of myself and the rest of the team I would like to thank everyone for joining us today. Hopefully you will have seen that the forward path of Coro is very positive, bringing a strong project portfolio and leadership team to drive success. Our next step, once we have received approval in the GM will be to focus on our initial two projects in the Philippines whilst working alongside our partners in Duyung to achieve the milestones we have set for the year. Ion Ventures will also have strong news flow over the coming months and we are working with the team there to ensure we have visibility of the opportunities they are developing. Thank you for your questions today, we look forward to future engagement with you soon.