

Wentworth is a leading Tanzanian natural gas company

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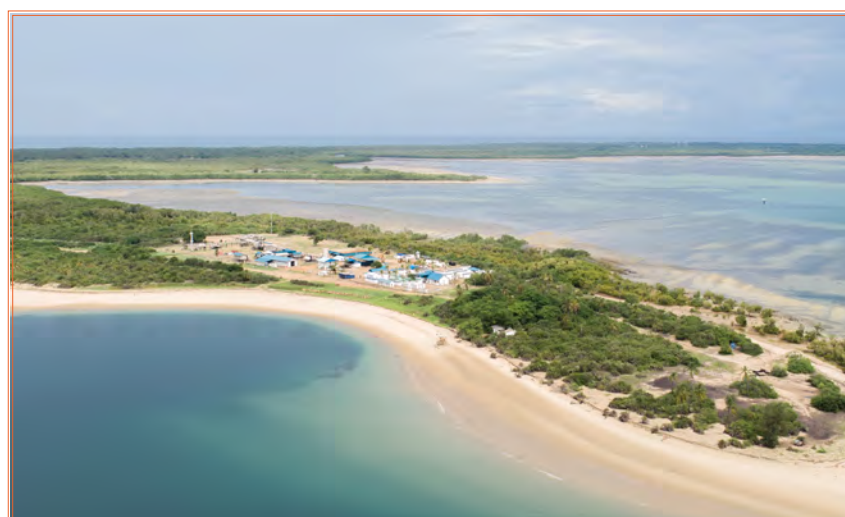


Wentworth Resources (WEN:AIM) is a leading domestic natural gas producer in Tanzania with a core producing asset at Mnazi Bay in the onshore Rovuma Basin in southern Tanzania. The asset has been materially producing for the last five years into a new natural gas infrastructure pipeline, which runs from the Mnazi Bay field all the way up to Dar Es Salaam, Tanzania's commercial capital and largest city.

ROBUST FINANCIALS

Wentworth's commercial framework is robust and resilient to global macroeconomic shocks. With a history of robust financial and operational performance, the investment case is further safeguarded by its long-term fixed gas price contract with the Government, meaning that the company has no exposure to commodity price volatility.

Wentworth is also a financially disciplined company, and has focused on paying down debt since starting material production into the new National Natural



Gas Infrastructure pipeline in 2015.

The company is now debt-free, with \$17 million in cash reserves – and there is no significant capital investment required at Mnazi Bay, with only \$1.3 million spent in 2018. This fiscal discipline has helped the company return \$4.2 million to shareholders in the last 12 months, which represents an average annualised yield of approximately 9%. This is further bolstered by Wentworth's position as one of only three AIM-listed E&P companies paying a dividend.

STABLE PRODUCTION

Wentworth's current production sits very comfortably in its average production guidance of 60-70 million cubic feet per day (MMscf/d), with minimal impact from the Covid-19 pandemic. Existing infrastructure already permits production to increase up to 100 MMscf/d without any additional investment, highlighting that the business will be able to respond to growing demand without additional capital expenditure.

With revenue underpinned by long-term fixed price



contracts, no debt, a limited 2020 work programme and a sustainable dividend policy, Wentworth represents a resilient and sustainable investment opportunity for the near and longer-term.

TANZANIAN FOCUS

Wentworth is first and foremost a Tanzanian business, which is reflected in how the company operates: it prioritises local recruitment and supply chain opportunities and is focused on helping improve energy access to local communities throughout the country. This focus is key for the company due to the rapid growth that Tanzania is undergoing, providing a strong basis for Wentworth's future success.

Tanzania has a fast-growing population, which combined with the Government's ambitious plan for universal energy access by 2030, as well as a nearer term goal of providing 5,000 mega-watts (MWs) by 2025, provides an exciting future demand case for Wentworth's natural gas.

As one of only two fields producing natural gas in Tanzania, Wentworth has a vital role to play in driving up energy access by ensuring

a reliable, affordable and growing supply of natural gas into the local market.

This is at the heart of what Wentworth does, and in doing so, the company is able to help the government achieve its strategic and economic growth ambitions.

SUSTAINABLE GROWTH

Wentworth's ambition is to deliver long-term sustainable growth, real positive impact, and value for all stakeholders. Natural gas from Mnazi Bay is already enabling Tanzania to play a valuable role as part of the global energy transition, displacing dirty fuels and in doing so securing a cleaner future for the country and its people.

With natural gas providing a reliable and affordable baseload power supply, more renewable energy – mainly hydroelectric power – can be gradually added to Tanzania's energy mix without compromising security of supply and levels of access.

This energy access is transformative to communities, and the presence of gas-fired power in Tanzania has supercharged this process, with over a million new customers added

to the Tanzanian electricity grid in the last five years.

The number of rural communities with access to electricity has also more than quadrupled in the same period. These connections not only power industry, but schools, medical facilities, and training centres; leading to huge, tangible benefits for the country.

DELIVERING IMPACT

The direct and indirect economic impact of Wentworth's activities in Tanzania is also significant – with over \$223 million paid to the Government of Tanzania in royalties and taxes since 2004; millions more have been saved by facilitating the replacement of costly, high-polluting fuels, and the knock-on effects of investing in local supply chains and local staff all contributing positively.

Wentworth also runs a series of social programmes through the Wentworth Africa Foundation, with a focus on lifting education levels in the country. When the Foundation started working in the Mtwara region, there was only a 3-6% school attendance rate for girls.

Six months after the launch of its social programme, the school attendance rate for girls had increased to 71% – reflecting a commitment to local communities and a strong partnership model that Wentworth prides itself on.

