

11 January 2022

Mustang Energy PLC

VRFB-H Investment Update

Mustang Energy PLC (the "Company"), the special purpose acquisition company, provides the following update on its investment in VRFB Holdings Limited ("VRFB-H").

As announced on 27 April 2021 the Company acquired a 22.1% interest in VRFB-H, a joint venture partner in Enerox Holdings Limited ("EHL"), for a consideration of US\$7,524,000. The investment was financed through the issue of US\$8,000,000 Convertible Loan Notes ("CLNs") bearing 10% interest per annum, with surplus funds being used to pay associated costs and working capital.

Soon after the investment was completed, Garnet Commerce Limited, the other joint venture partner in EHL, objected to the Company's investment. In July 2021, a claim form was issued in the High Court of Justice: Business and Property Courts of England and Wales (Chancery Division) by Garnet against VRFB-H and EHL, as more fully detailed in the announcement made by Bushveld Minerals Ltd ("BMN") on 14 July 2021. The matter is scheduled for trial commencing on 19 January 2022.

Whilst the Company is not a party to the proceedings, the ongoing uncertainty precludes the Company from issuing a prospectus, which is a precursor for the Company's shares to be reinstated to trading.

A condition of the CLNs is that if the Company's shares were not reinstated to trading by no later than 31 December 2021 ("Maturity Date"), the Company has the right, by serving written notice on BMN within 5 business days thereafter ("Notice Period"), to require BMN, in return for the Company transferring to Bushveld Energy Limited (a 74% owned subsidiary of BMN) ("BEL") all its shares in VRFB-H ("Backstop") and payment of a 'backstop fee' to BMN, to issue to each CLN holder by 28 January 2022, such number of new shares in BMN at a price equal to the 20 day volume weighted average price of a BMN share prior to the date of issue, as is equivalent to the value of each holder's CLNs together with accrued and unpaid interest thereon. BEL holds a 50.5% interest in VRFB-H. Acacia Resources Limited, which has a 24.03% interest in the Company, owns the remaining 27.4% interest in VRFB-H.

The backstop fee can, at the election of the Company, be satisfied by the issue to BMN of new shares in the capital of the Company. The Company has been in active discussions with the counterparties to the transaction announced on 27 April 2021 and is nearing an agreement to extend the Maturity Date to allow some visibility as to the potential outcome of the VRFB-H litigation. Given these ongoing discussions, BMN and the Company have agreed to extend the Notice Period to 14 January 2022. The extension of the Notice Period does not affect any of the other provisions applicable to the 27 April 2021 transactional documents or arrangements.

A further announcement will be made when an agreement is finalised between the parties or if those discussions are terminated without agreement being reached.

ENQUIRIES

For further information, please visit www.mustangplc.com , follow us on Twitter [@Mustang_Plc](https://twitter.com/Mustang_Plc) , or contact:

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