



ABN 66 138 145 114

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**ASX Code: E2E**

**16 June 2020**

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## **Extension of Suspension**

The Board advises that discussions with ANB Bank in relation to the loan default have been ongoing and constructive. The oil and gas sector has been through a "black swan" event with oil prices reaching the historic lows recently as a result of an unprecedented fall in market demand from the COVID-19 pandemic. Oil price has recovered slightly since March but remain at levels that are commercially unsustainable for the Company.

The combination of low oil and gas prices and an increase in refinery charges due to limited storage capacity in the US has resulted in the company having to shut in some of its production and lay off staff. Senior management and Directors have been working without pay through this period as we work with our its suppliers, contractors and the bank to seek solutions.

As reported in April, interest payments on the Company's loan ceased due to insufficient cash flow from operations. On May 19, the Company requested the suspension of its shares from trading on ASX due to a letter of demand having been received from the bank. Eon's operations have been curtailed as the bank has taken control of the bank accounts but has continued to work with US management to ensure that asset value is preserved, and field operations continue.

A detailed due diligence process has been carried out by the bank with asset valuations in the current market being below the debt owed to the bank. Discussions are under way with the bank and third parties to identify potential restructuring options.

The Board believes that it has made progress with the bank and is close to finalizing a solution. It is expected that the Board will be able to provide the details of a resolution from these negotiations imminently, but a specific date cannot be provided as this would pre-empt current negotiations.

In accordance with listing rule 17.2, the Company seeks the voluntary suspension of its securities and provides the following information that relates to this request.

1. The extension of suspension is requested to enable the Company to finalise negotiations with ANB Bank in relation to the current loan default situation.

2. The Company seeks sufficient time for these negotiations to be completed. At this time, it is uncertain what the duration of the suspension will be but it is likely that further information will be provided to the market within two weeks.
3. Upon agreement with ANB Bank as to the most appropriate way for the issue to be resolved, the Company will advise the market and seek the suspension in trading to be lifted.

The Company is not aware of any reason why the suspension should not be granted.

**Authorised by:**

Board of Eon NRG Ltd

**For further information, contact:**

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**About the Company:**

Eon NRG Ltd is an ASX listed company which has U.S. onshore focused energy exploration and production assets. The Company's growth path is through the drilling of high impact oil exploration wells, supported by a 100% owned and operated long life oil and gas production assets and associated cashflow. The company has a mixture of onshore USA exploration and development leasehold acreage along with oil and gas production assets located in Wyoming and California.