

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**Pensana Plc
("Pensana" or the "Company")****US\$4 Million Equity Placement to M & G Investment Management**

Pensana announces that M&G Investment Management ("M&G"), one of the UK's largest fund managers and a long standing Pensana shareholder, has agreed to invest US\$4 million (£3.19 million) in the Company by way of a placement of 7,250,000 new ordinary shares of £0.001 each in the capital of Pensana ("Ordinary Shares") (the "Placing Shares") at a price of 44 pence per share (the "Placing Price"). Following admission of the Placing Shares to trading M&G will have an interest in approximately 7.7% of the Company's enlarged issued share capital.

Pensana Chairman, Paul Atherley noted:

"We very much appreciate M&G's continuing support as a major shareholder over the past 12 months. Initial site works have commenced at Saltend and Longonjo, and this additional investment will take us through to main financing and the commencement of main construction at both projects during Q1 of 2023. We look forward to delivering on the strong support from major shareholders and developing an independent and sustainable rare earth supply chain based in the UK to meet the burgeoning demand from automotive and wind turbine OEMs."

Application has been made for the Placing Shares to be admitted to the Official List (Standard Listing Segment) and to trading on the London Stock Exchange's Main Market for listed securities. Admission is expected to occur on or about 8.00 a.m. on Thursday 5 January 2023 ("Admission"). The Placing Shares will rank pari passu in all respects with each other and with the existing Ordinary Shares, including, without limitation, the right to receive all dividends and other distributions declared, made or paid after the date of issue.

Following Admission, the Company's issued share capital will consist of 255,180,873 Ordinary Shares. No shares are held in treasury and, therefore, the total number of voting rights of the Company on Admission will be 255,180,873. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

The information contained within this announcement is considered by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No.596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information will be considered to be in the public domain. The person responsible for arranging for the release of this announcement on behalf of the Company is Paul Atherley (Chairman).

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For further information, please contact:

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About Pensana Plc

The electrification of motive power is the most important part of the energy transition if we are to tackle climate change and one of the biggest energy transitions in history. Magnet metal rare earths are central to that transition, forming a critical part of the technology for efficient electric vehicle motors and offshore wind turbines.

Pensana plans to establish its Saltend processing hub as an independent and sustainable supplier of the key rare earth magnet metal oxides to a market which is currently dominated by China.

The US\$195 million Saltend facility is being designed to produce circa 12,500 tonnes per annum of rare earth products, of which 4,500 tonnes will be neodymium and praseodymium oxide (NdPrO), representing over 5% of the world market in 2025.

Pensana's plug-and-play facility is located within the world-class Saltend Chemicals Park, a cluster of leading chemicals and renewable energy businesses in the Humber Freeport and will create over 500 jobs during construction and over 125 direct jobs once in production.

Powered by low-carbon offshore wind, it will be the first major separation facility to be established in over a decade and will become one of the few major producers located outside China.

Feedstock will be shipped as a clean, high purity mixed rare earth sulphate (MRES) from the Company's Longonjo low-impact operations in Angola. The mine's state-of-the-art concentrator and proprietary MRES processing plant are designed by Wood to the highest international standards.

The operations will be powered by renewable energy from hydroelectric power and connected to the Port of Lobito by the recently upgraded Benguela railway line.

Pensana believes that provenance of critical rare earth materials supply, life cycle analysis and GHG Scope 1, 2 and 3 emissions will all become significant factors in supply chains for major customers.

The Company intends to offer customers an independently and sustainably sourced supply of the metal oxides and carbonates of increasing importance to a range of applications central to addressing the energy transition.

Pensana is also aiming to establish Saltend as an attractive alternative to mining houses that may otherwise be limited to selling their products to China, having designed the facility to be easily adapted to cater for a range of rare earth feedstocks.

www.pensana.co.uk