

8 March 2023

Challenger Energy Group PLC
("Challenger Energy" or the "Company")

**Update on Sale of Cory Moruga, future EOR collaboration and
settlement agreement with Predator Oil & Gas Holdings Plc**

Challenger Energy (AIM: CEG), the Caribbean and Americas focused oil and gas company, with oil production, appraisal, development and exploration assets across the region, is pleased to update that, further to entry into a binding term sheet with Predator Oil & Gas Holdings Plc and relevant subsidiary entities ("Predator") as announced on 20 December 2022 ("Transaction"), Predator has now completed all confirmatory due diligence and the Company and Predator have entered into fully-termed long-form legal documentation.

The terms remain unchanged from those previously announced on 20 December 2022, being:

- Predator will acquire 100% of the issued share capital of T-Rex Trinidad Limited ("T-Rex"), an indirectly wholly-owned subsidiary of the Company that holds the Company's 83.8% interest in, and is the operator of, the Cory Moruga licence;
- the Company will retain the option in the future to repurchase 25% of Predator's share in T-Rex on an agreed basis;
- CEG and Predator have established a collaboration in relation to CO₂ enhanced oil recovery ("EOR") activities and projects in other areas in Trinidad; and
- the Company and Predator have agreed to a mutual settlement and discharge of all disputes and claims in relation to the Inniss-Trinity CO₂ EOR pilot project.

Completion of the transaction is conditional on consent of the Trinidadian Ministry of Energy and Energy Industries ("MEEI") to a revised work programme for the Cory Moruga licence proposed by Predator, as well as agreement of MEEI to a revision of future fees for the Cory Moruga licence and a settlement / cancellation of past claimed dues pertaining to the Cory Moruga licence. Completion of the Transaction will occur 7 days after satisfaction of this condition. The parties have agreed to work together to secure the required consents and agreements with MEEI and thus achieve completion as soon as reasonably practicable on or before 30 May 2023, with a long stop date of 31 August 2023.

Subject to completion, the Transaction will represent a gross potential value proposition to Challenger Energy of up to US\$9 million (as estimated by the parties to the Transaction), comprising:

- US\$2.0 million payable to the Company by Predator in cash, in instalments as follows: (i) US\$1 million upon completion of the transaction, and (ii) a further US\$1 million on the date that is six months after completion;
- a further US\$1 million conditional cash payment, payable once the Cory Moruga field production first reaches 100 barrels of oil per day;
- the option-value embedded in the retained back-in right;
- the removal of all ongoing T-Rex financial obligations, and the elimination of all T-Rex associated liabilities from the Challenger Energy balance sheet, as well as the elimination of all contingent and potential liabilities associated with the Cory Moruga licence, whether crystallised or not;
- the settlement of any outstanding loan amounts in respect of the Inniss-Trinity CO₂ EOR pilot project (recognising that absent a settlement between the parties, such amounts would be recoverable only from incremental production from the Inniss-Trinity CO₂ EOR pilot project area); and
- a full and final mutual settlement in respect of all disputes and claims between the parties in relation to the Inniss-Trinity CO₂ EOR pilot.

The Transaction, in addition to the transaction involving Caribbean-Rex Limited as announced on 14 February 2023, is in line with the Company's strategy in Trinidad and Tobago of seeking to monetise

February 2020, is in line with the Company's strategy in Trinidad and Tobago of seeking to monetise assets not in the core area of operation, so as to maximise cash and offset risk and work program commitments, but at the same time retain upside exposure.

Further announcements will be made as appropriate.

---END---

For further information, please contact:

Challenger Energy Group PLC
Eytan Uliel, Chief Executive Officer

Tel: +44 (0) 1624 647 882

WHI Ireland - Nomad and Joint Broker
Antonio Bossi / Darshan Patel / Enzo Aliaj

Tel: +44 (0) 20 7220 1666

Zeus Capital Limited - Joint Broker
Simon Johnson

Tel: +44 (0) 20 7614 5900

CAMARCO
Billy Clegg / Hugo Liddy / Sam Morris

Tel: +44 (0) 20 3757 4980

Notes to Editors

Challenger Energy is a Caribbean and Americas focused oil and gas company, with a range of exploration, appraisal, development and production assets and licences, located onshore in Trinidad and Tobago, and Suriname, and offshore in the waters of Uruguay and The Bahamas. In Trinidad and Tobago, Challenger Energy has a number of producing fields and appraisal / development projects, as well as a prospective exploration portfolio in the South West Peninsula. In Suriname, Challenger Energy has on onshore appraisal / development project. Challenger Energy's exploration licences in Uruguay, the South West Peninsula of Trinidad, and The Bahamas offer high-impact value exposure within the overall portfolio value.

Challenger Energy is quoted on the AIM market of the London Stock Exchange.

<https://www.cegplc.com>

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE UK VERSION OF REGULATION (EU) NO 596/2014 WHICH IS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED. UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

The person responsible for arranging the release of this announcement on behalf of the Company is Eytan Uliel, Chief Executive Officer of the Company.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

UPDBC GDXXX GDGXR