

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation ("MAR") (EU) No. 596/2014, as incorporated into UK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

15 March 2023

Sound Energy plc
("Sound Energy" or the "Company")

Project Financing Update

Sound Energy, the transition energy company, is pleased to provide a project financing update in relation to the Company's Tendirara Production Concession, onshore Morocco.

Phase 2 Development - Lead Finance Arranger Mandate Update

The Company announced on 23 June 2022 that it had entered into an Arrangement and Mandate letter ("Mandate") with Attijariwafa bank (the "Arranger"), a Moroccan multinational bank and one of the leading banks in Morocco, under which the Company mandated the Arranger in relation to the arrangement of project debt financing for the Phase 2 development of Sound Energy's Tendirara Production Concession (the "Agreement").

Pursuant to the Agreement, the Arranger was mandated, and provided with exclusivity by the Company for a period of eight months, to arrange a long-term project senior debt facility with a term of no more than 12 years of up to 2.250 billion Moroccan dirhams (approximately US\$215 million using current exchange rates) for the partial financing of the currently estimated approximately US\$330 million total Phase 2 development cost (including development wells post-first gas) of the Tendirara Production Concession (the "Financing").

In December 2022, the Company announced that the parties had agreed to amend the Mandate to seek to negotiate binding terms for the Financing by 15 March 2023 whilst also agreeing to an extended period of exclusivity provided to the Arranger under the Mandate to 1 June 2023 in order to arrange the Financing.

Significant progress is being made with the Arranger, who has recently completed legal and technical due diligence in respect of the proposed Financing. Whilst additional pre-Financing aspects such as Phase 2 Engineering contracts remain subject to award, finalisation and review, the parties have now moved on to more detailed financial structuring of the proposed Financing, particularly in respect of taxation, and consequently the parties have entered into a further amendment to the Mandate in order to extend the date by which the parties will seek to negotiate binding terms for the proposed Financing to 28 April 2023.

Commenting, Graham Lyon (Executive Chairman) said:

"The Phase 2 senior debt process is continuing to move forward favourably. It is a significant and complex undertaking for all parties involved, and I am pleased that the level of engagement that we have with Attijariwafa bank and our respective legal, tax and technical advisors is very collaborative and positive. I am sure all stakeholders support the construction of a robust, well structured financing arrangement. We look forward to providing further updates as the process moves forward."

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