

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.

27 April 2023

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

### **Project Financing Update**

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

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").

Under the Agreement, as amended and extended, the Arranger was mandated, and provided with exclusivity by the Company until 1 June 2023, 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\$223 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"), with the parties seeking to negotiate binding terms for the Financing by 28 April 2023.

Whilst the Company has been advised by the Arranger that it has now concluded its due diligence in respect of the Financing, Arranger Credit Committee consideration of the Financing has been delayed due to local Eid celebrations and is not expected to be held prior to 28 April 2023. With Arranger Credit Committee consideration of the Financing re-scheduled, the parties continue to work in good faith in advancing the Financing and further announcements will be made, as appropriate in due course.

On the 8 June 2022 the Company announced a £4 million placing of new ordinary shares at 2.0 pence per ordinary share (the "Placing"). At the time the Company envisaged the net proceeds of the Placing would be sufficient to continue to advance the Company's projects and meet the Company's working capital obligations through to April 2023. Over the subsequent 10 months the Company has scheduled its work accordingly and managed its corporate cost base such that its remaining cash resources are now expected to be sufficient to meet the Company's present working capital requirements through to July 2023.

#### **Commenting, Graham Lyon (Executive Chairman) said:**

*"The Phase 2 senior debt process has completed its due diligence phase with recommendations to Attijariwafa's credit committee prepared by the Arranger. We now await the conditioned financing offer which we expect shortly from the bank's committee. We look forward to providing further updates as the process moves forward."*

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