

4 March 2024

Cloudbreak Discovery Plc
(‘Cloudbreak’, or ‘the Company’)

**G2 Energy Amending Agreement for Secured Convertible Debenture
and Additional Funding**

Cloudbreak Discovery Plc, (“Cloudbreak” or the “Company”), (LSE: CDL) the natural resource project generator, is pleased to announce that it has signed an amending agreement for its secured convertible debenture with G2 Energy Corp. (CSE:GTOO, FWB:UD9) (“G2”) and its wholly-owned subsidiary G2 Energy TX1 Inc. (“G2 TX” dated 1 March 2024 (the “Amending Agreement”), whereby the parties agreed to amend the terms of the secured convertible debenture among Cloudbreak and G2 and G2 TX1 dated 31 May 2022 (the “**Debenture**”). Additionally, G2 and G2 TX1 have entered into a loan agreement with Clarmond Wealth Limited (“**Clarmond**”) dated 29 February 2024 (the “**Loan Agreement**”).

Debenture and Amending Agreement

Under the Debenture, Cloudbreak advanced G2 Energy TX1 USD\$2,000,000 (the “**Principal Amount**”), and Cloudbreak had the option to convert only the accrued and unpaid interest on the Debenture, but not the Principal Amount.

Pursuant to the Amending Agreement, the parties have agreed to amend the Debenture as follows:

1. The maturity date of the Debenture will be extended from 31 May 2024, to 31 May 2025, and Cloudbreak in its sole discretion will have the option to further extend the maturity date by one calendar year to 31 May 2026.
2. The Principal Amount, together with all accrued and unpaid interest and all other monies owing under the Debenture, shall be convertible, at the sole discretion of Cloudbreak, into units of G2 (each, a “**Unit**”) at a price per Unit which shall be the minimum price permitted by the Canadian Securities Exchange (the “**CSE**”), with each Unit entitling the holder thereof to one common share in the capital of G2 (each, a “**Common Share**”), and one share purchase warrant of G2 (each, a “**Warrant**”), with each Warrant entitling the holder thereof to acquire one Common Share (each, a “**Warrant Share**”) at a price of CAD\$0.07 per Warrant Share or the minimum price permitted by the CSE if the CAD\$0.07 is not permitted, until 5:00 p.m. (Vancouver time) on the date of expiration of the Warrant, which is two years following the date of the issuance of the Warrant.
3. The Debenture shall not be convertible by Cloudbreak and G2 shall not give effect to any such purported conversion, to the extent (but only to the extent) that: (i) Cloudbreak, together with any Person acting jointly or in concert with Cloudbreak, as determined in accordance with National Instrument 62-104 - *Take Over Bids and Issuer Bids*, would in the aggregate beneficially own, or exercise control or direction over, in excess of 19.99% of the total issued and outstanding Common Shares, immediately after giving effect to such conversion (the “**Maximum Percentage Limitation**”). No prior inability to convert the Debenture pursuant to this paragraph shall have any effect on the applicability of the provisions of this paragraph with respect to any subsequent determination of convertibility. For the purposes of this paragraph, beneficial ownership and all determinations and calculations (including, without limitation, with respect to calculations of percentage ownership) shall be determined in accordance with National Instrument 55-104 - *Insider Reporting Requirements and Exemptions*.
4. In the event there is an event of default and 61 days have lapsed since a notice of such event, the Debenture shall be deemed fully convertible by Cloudbreak without any restrictions imposed by the Maximum Percentage Limitation and the Company shall give effect to any such conversion requested by Cloudbreak.

Cloudbreak presently holds a registered 3.25% Gross Overriding Royalty, net of the occupation tax for oil produced in Texas (the “**SEV Taxes**”), on all minerals including oil and gas produced and sold from the Masten Property located in the Permian Basin in Levelland, Texas (the “**Property**”). Pursuant to the Amending Agreement, G2 TX1 shall also pay to

Cloudbreak an additional amount in cash equal to 0.75% of 8/8 overriding royalty, less the SEV Taxes, on all minerals including oil and gas produced and sold from the Property.

In connection with, and as partial consideration for the amendments, the parties have agreed that:

- Cloudbreak will convert USD\$60,000 of interest under the Debenture into 2,000,000 Units at a price of CAD\$0.03 per Unit, with each Unit entitling the holder thereof to one Common Share and one Warrant, with each Warrant entitling the holder to acquire one Warrant Share at a price of CAD\$0.05 per Warrant Share for up to two years from the date of conversion;
- the Company will pay USD\$10,000 of the interest outstanding on the Debenture immediately upon receipt of any funds from any debt or equity financing, to satisfy a portion of the outstanding accrued and unpaid interest outstanding on the Debenture; and
- G2 will reconstitute its board of directors from six to five members, and appoint two nominees of Cloudbreak as directors of G2.

Loan Agreement with Clarmond

G2 and G2 TX1 also entered into the Loan Agreement with Clarmond, whereby Clarmond has agreed to advance a loan (the "**Loan**") in the principal amount of USD\$250,000.00 (the "**Loan Principal Amount**") to G2 TX1 and G2 will act as the guarantor of the Loan. The funds will be used for enhancing and increasing oil and gas production on the Property as well as for general working capital.

Andrew Male commented: "*We are very pleased to have agreed this Amending Agreement with G2. While the original agreement provided for appropriate security and performance, it lacked the substance required for an investment of this nature. Cloudbreak's investment position is now stronger and in line with the commercial objectives of G2. We would like to thank G2 and its CEO for working with us to achieve this objective. The additional loan provided by Clarmond will serve to enhance the production profile of G2 as well and in turn is expected to make Cloudbreak's investment more valuable and accretive to its underlying net asset value.*"

- Ends -

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About Cloudbreak Discovery PLC

Cloudbreak Discovery PLC is a leading natural resource project generator and royalty business. Cloudbreak is focused on energy royalty acquisitions with the aim of bringing near-term cashflow and driving shareholder value. Its primary operating jurisdiction is the United States, but the Company also deploys its project generation model in the international energy sector to acquire minority interests in projects of merit.

Through its wholly owned but independently operated subsidiary, Cloudbreak Exploration Inc., the Company will develop its array of mineral assets, whilst continuing to generate new projects with a particular focus on commodities key to the energy transition.

Cloudbreak's generative model across the energy and mineral sector enables a multi-asset approach to investing and exploration. Diversification within the natural resource sector and amongst resource classes is key to withstanding the cycles of investing.

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