

23 September 2024

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

Uruguay AREA OFF-1 farm-out update

On 6 March 2024, Challenger Energy (AIM: CEG) announced that it had entered into a farmout agreement for the AREA OFF-1 licence in Uruguay with Chevron. Completion of the farmout is subject to required regulatory approvals in Uruguay.

The Company is pleased to announce that on 19 September 2024, the Board of Directors of ANCAP (the Uruguayan state-owned oil company with regulatory responsibility for offshore licences) approved the farmout. Following this approval, and in accordance with Uruguayan legal requirements, the process has progressed to its final stage, which consists of the farmout being notified to the Uruguayan Ministry of Industry, Energy and Mining, and at the same time the requisite Consortium Agreement between the Company and Chevron being submitted to the Uruguayan Ministry of Economy and Finance for registration. Once a 20-day notification period has elapsed and the Consortium Agreement is registered, the farmout can be completed.

Eytan Uliel, Chief Executive Officer of Challenger Energy, said:

"The farmout of our AREA OFF-1 block in Uruguay is transformational for Challenger Energy. Since entering into the farmout agreement we have been diligently working through various regulatory approval processes, culminating in ANCAP now having formally approved the farmout, which is the key approval required. We do not anticipate that remaining procedural processes will take long to complete, so we expect full completion of the farmout within the next four to eight weeks. This in turn will enable Chevron, as incoming operator of the block, to move forward with 3D seismic acquisition on an accelerated basis, targeting commencement in early 2025. The coming months will thus be a busy and exciting time for our Company - we will keep shareholders advised of continued progress."

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This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014, which forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended).

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Notes to Editors

Challenger Energy is an Atlantic-margin focused energy company, with production, development, appraisal, and exploration assets in the region. The Company's primary assets are located in Uruguay, where the Company holds high impact offshore exploration licences. Challenger Energy is quoted on the AIM market of the London Stock Exchange.

<https://www.cegplc.com>

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