

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.

11 December 2024

Sound Energy plc
("Sound Energy" or the "Company" and together with its subsidiaries the "Group")

Moroccan Assets: Completion of the sale of the share capital of Sound Energy Morocco East Limited

Sound Energy (AIM: SOU), the transition energy company, is pleased to announce the completion of the transaction for the partial divestment of the Company's Moroccan assets (the "SPA") by way of the disposal by the Company of the entire issued share capital of Sound Energy Morocco East Limited ("SEME") to Managem SA ("Managem") for a total value to Sound Energy of up to US 45.2 million. The terms of the SPA were announced by the Company on 14 June 2024.

Key Highlights

- Pursuant to the closing, Sound Energy will continue to hold an interest of 20% in the Tendirara Production Concession (the "Concession") through Sound Energy Meridja Limited ("SEM"), and 27.5% working interests in each of the Grand Tendirara Exploration Permit (the "Grand Tendirara Permit") and the Anoual Exploration Permit (the "Anoual Permit" and together with the Grand Tendirara Permit, the "Permits") through Arran Energy Holdings Limited ("AEHL")
- Managem will provide funding on behalf of SEM for the planned Phase 2 development of the Concession, funding for two exploration wells on behalf of AEHL in satisfying the work programmes on the Permit areas, a contingent production payment to the Company and payment to the Company of past expenditures by incurred by SEME.
- The Company will be supporting Managem for a period of time, to ensure an uninterrupted transition.
- Sale of the entire share capital of SEME with an effective date of 1 January 2022, pursuant to which Managem will acquire the following interests in the Group's Moroccan assets:
 - 55.0% of the Concession (Sound Energy to retain 20% interest, through its subsidiary Sound Energy Meridja Limited)
 - 47.5% of the Grand Tendirara Permit (Sound Energy to retain 27.5% interest, through its subsidiary Arran Energy Holdings Limited)
 - 47.5% of the Anoual Exploration Permit (Sound Energy to retain 27.5% interest, through its subsidiary Arran Energy Holdings Limited)

- SPA consideration payable to and on behalf of the Group includes the below:
 - Up to US 24.5 million net carry through Managem funding of the Group's remaining 20% interest in future Concession Phase 2 development.
 - Contingent consideration of US 1.5 million payable to the Group no later than one year after first gas from Concession Phase 2 development.
 - US 3.6 million net carry through funding the Group's remaining 27.5% interest in the Grand Tendirara Permit area in drilling exploration well SBK-1.
 - US 2.6 million net carry through funding the Group's remaining 27.5% interest in the Anoual Permit area in drilling exploration well M5.
- In addition, with an effective date of the transaction of 1 January 2022, Managem have remitted to the Company 13.06 million in back costs in relation the Concession and the Permits.

Commenting, Graham Lyon (Executive Chairman of Sound Energy) said:

"We are delighted to have completed the sale of SEME Limited, and we are pleased to welcome Managem as its new owner. I would like to thank all those involved from both companies, our advisors, ONHYM and the Ministry of Energy. This is a transformative transaction for Sound Energy, unlocking significant value and we look forward to the new chapter of Tendirara development and exploration activity in Morocco."

For further information visit www.soundenergyplc.com follow on X @soundenergyplc, LinkedIn, or contact:

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