

7 January 2025



Challenger Energy Group Plc

("Challenger Energy" or "the Company")

2024 Year-End Letter to Shareholders

The following letter to shareholders will also be published via the Company's website.

Dear Shareholders

As 2025 begins, I write to thank you, our shareholders, for your support throughout 2024, a milestone year for Challenger Energy, during which we made significant progress in our two prime offshore exploration blocks in Uruguay.

AREA OFF-1

2024 saw the successful farmout of the AREA OFF-1 block to Chevron announced on 6 March 2024. This transaction was a result of our high-quality technical work, that established the licence area's multi-billion-barrel prospectivity. Chevron's commitment to fully carry the Company's share of costs for a 3D seismic campaign - and 50% of the costs for an initial exploration well should Chevron move forward with it - positions AREA OFF-1 for significant progress in the coming year, but with reduced financial risk.

Successful completion of the farmout also delivered a 12.5 million cash payment to Challenger Energy and, at the same time, we retain a 40% non-operating interest in the block, affording us enormous flexibility in how we participate in this block's future.

AREA OFF-3

On 11 March 2024, we formalized our AREA OFF-3 license, marking the start of an initial four-year exploration period. This highly prospective 13,252 km² area, located in relatively shallow waters about 100 kilometers off the Uruguayan coast, benefits from extensive 2D and 3D seismic coverage and, like AREA OFF-1, has multi-billion-barrel resource potential from multiple play types.

We have since commenced our technical work program for AREA OFF-3, which centers around reprocessing 3D seismic data. This critical activity, set to conclude in the first half of 2025, will refine the prospect inventory, identify potential drill locations, and support a formal farmout process targeted to commence in mid-2025. The anticipated costs of our work program, projected at 1-1.5 million, reflect our commitment to a disciplined and value-driven approach to early-stage exploration.

Trinidad & The Bahamas

We are currently reviewing our assets in Trinidad and The Bahamas, and anticipate making a decision on their future in the first half of 2025.

Financial

The funds received on completion of the Chevron farmout means that we are fully funded for the foreseeable future - both in terms of corporate overhead and all planned work programs - with no debt, a healthy cash surplus, and no unfunded commitments or obligations. Thus, as we exit 2024 and head into 2025, I believe our Company is in the best financial position it has been in for many years.

2024 underscores Challenger Energy's ability to navigate complex projects, partner with leading industry players, and leverage our assets to create value for shareholders. As we look ahead to 2025, our focus remains steadfast: advancing exploration activities in Uruguay, optimizing our portfolio, and continuing to execute on our business strategy.

Once again, thank you for your support. I'm proud to reflect on what has been a transformative year for Challenger Energy, and we are excited for 2025 and beyond.

Sincerely,
Eytan Uliel - Chief Executive Officer
Challenger Energy Group Plc

This is a Reach (i.e. non-regulatory) announcement and the information contained is not considered to be material or to have a significant impact on management's expectations of the Company's performance.

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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. Challenger's primary assets are located in Uruguay, where the Company holds two high impact offshore exploration licences, totaling 19,000km² (gross) and is partnered with Chevron on the AREA-OFF 1 block. Challenger Energy is quoted on the AIM market of the London Stock Exchange.

<https://www.cegplc.com>

Forward-looking statements

Certain statements in this announcement are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors. Several factors could cause actual results to differ materially from the results discussed in the forward-looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although any forward-looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements.

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