

7 February 2025

Challenger Energy Group PLC

("Challenger Energy" or the "Company")

Option Exercise and New Share Issuance

Challenger Energy (AIM: CEG), the Atlantic margin focused energy company, announces that it has received notification from option holders to exercise options over 840,000 new ordinary shares of 1p each ("Options") in the share capital of the Company (the "New Ordinary Shares"). All exercise notices relate to Options with an exercise price of 5 pence per share. Options being exercised are by certain employees and ex-employees of the Company in respect of their Tranche A options. No Options are being exercised by any Directors / PDMRs of the Company. Accordingly, the Company has today agreed to issue the New Ordinary Shares to the option holders for an aggregate cash value of £42,000.

Application for Admission

Application has been made for admission to trading on the AIM of a total of 840,000 New Ordinary Shares of 1p each ("Admission"). It is expected that Admission will be effective on or around 10 February 2025. On Admission the New Ordinary Shares will rank *pari passu* with the Company's existing ordinary shares.

Following Admission, the Company's issued share capital will consist of 245,721,322 ordinary shares, with each ordinary share carrying the right to one vote. The Company does not hold any ordinary shares in treasury. This figure of 245,721,322 ordinary shares may therefore be used by shareholders in the Company, as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Total Options & Warrants on Issue

For shareholder's information, following the exercise of 840,000 million Options, the total number of remaining options and warrants over ordinary shares in the Company, and the terms of those options and warrants, will be as follows:

TABLE A: Consolidated Statement of Options and Warrants on Issue

Holder	Options and/or Warrants Held
Iain McKendrick - Non-Executive Chairman	560,000 in each of Tranche A, B, C and D ⁽¹⁾
Stephen Bizzell - Non-Executive Director	370,000 in each of Tranche A, B, C and D ⁽¹⁾
Simon Potter - Non-Executive Director	370,000 in each of Tranche A, B, C and D ⁽¹⁾
Robert Bose - Non-Executive Director	370,000 in each of Tranche A, B, C and D ^(2, 3)
Eytan Uliel -Executive Director and CEO	1,700,000 in each of Tranche A, B, C and D ⁽¹⁾ and 600,000 in each tranche on revised terms ^(2, 3)
Executives and Staff ⁽⁴⁾	960,000 in Tranche A and 1,800,000 in each of Tranche B, C and D ⁽¹⁾
"In the money" advisor options	21,931,189 ⁽⁵⁾
"Out of the money" advisor options	24,000 ⁽⁶⁾

Notes:

All share and option figures are stated on a post share consolidation basis, reflective of the 50:1 share consolidation that occurred on 8 August 2024.

1) Terms and conditions of Board & Executive / Staff Options were set out in the Company's announcement of 7 March 2022, and which are restated here for shareholder information, as follows:

- Tranche A: exercise price 5p per share; exercise period of 5 years from grant; vested.
- Tranche B: exercise price 7.5p per share; exercise period of 5 years from grant; vested.
- Tranche C: exercise price 11.25p per share; exercise period of 5 years from grant; unvested, vest once share price of 11.25p achieved and sustained for a period of 10 consecutive trading days.
- Tranche D: exercise price of 15p per share; exercise period of 5 years from grant; unvested, vest once share price of 15p achieved and sustained for a period of 10 consecutive trading days.

2) Exercise prices of these options are as follows:

- Tranche A: exercise price 8p per share
 - Tranche B: exercise price 12p per share
 - Tranche C: exercise price 18p per share
 - Tranche D: exercise price is 24p per share
- 3) 50% of these options are exercisable immediately (but subject to vesting hurdles being satisfied); 50% only become exercisable on 1 March 2026, unless accelerated in accordance with their terms.
- 4) Executive and staff options have been distributed widely to key members of the executive and operating staff base, to secure retention and incentivisation.
- 5) Since 2018, options and warrants have been issued to various advisors and financiers as part of agreed compensation arrangements for services provided / fundraisings. Many have since expired, and of those that remain the number of warrants and exercise prices have been readjusted as a result of share consolidations. Therefore, for shareholder's reference, the number of options and warrants referred to as 'advisor warrants' in Table A constitutes an up-to-date, definitive statement of all such options presently on issue. Of these, 19,831,189 have an exercise price of 5p each, are vested, and expire in respect of 11,031,189 options on 11/03/2026, in respect of 5,000,000 options on 2/11/2026, and in respect of 3,800,000 options on 1/11/2027. Given that these are currently vested and 'in the money' it is expected that they will in due course be exercised in accordance with their terms, and if all exercised, would result in the issue of 19,831,189 ordinary shares (representing approximately 6.7% of the Company on a fully diluted basis), and in return for which the Company would receive cash proceeds of approximately £991,000 / US 1.3 million. A further 2,100,000 warrants were issued consequent on the Charlestown investment, valid to 28 May 2026, exercise price 10p per share (refer to the Company's RNS of 18 April 2024) and, if ultimately these were to become 'in the money' and exercised, would result in the issue of 2,100,000 ordinary shares (representing approximately 0.8% of the Company on a fully diluted basis), and in return for which the Company would receive cash proceeds of approximately £201,000 / US 280,000.
- 6) These small number of "legacy" options that remain valid relate to remuneration provided in settlement of fees pertaining to financing of the well drilled in The Bahamas in late 2020. They have an exercise price of 175p each, are vested, and expire on 01/09/2025. Given the extent to which these options are 'out of the money', they are expected to lapse without being exercised.

For further information, please contact:

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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, totalling 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>

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