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24 April 2025

Sunda Energy Plc
("**Sunda**" or "**Sunda Energy**" or the "**Company**")

Chuditch Financing & Operational Update

- *Fundraising announced for Chuditch-2 drilling campaign*
- *Binding farm-in agreement entered into with TIMOR GAP*
- *Convertible loan notes provide capital into Sunda*
- *Major milestones in unlocking the value of the Chuditch gas field*

Sunda Energy Plc (AIM: SNDA), the AIM-quoted exploration and appraisal company focused on gas assets in Southeast Asia, is pleased to announce that it has entered into a series of agreements concerning the funding of the drilling campaign on the Chuditch gas field on the TL-SO-19-16 Production Sharing Contract (the "**Chuditch PSC**", the "**PSC**" or the "**Project**"), offshore Democratic Republic of Timor-Leste.

Sunda's wholly owned subsidiary SundaGas Banda Unipessoal, Lda. ("**SundaGas**") has entered into a binding Farm-In agreement (the "**Farm-In Agreement**") with its government-owned joint venture partner TIMOR GAP Chuditch Unipessoal Lda ("**TIMOR GAP**"). In addition, the Company has conditionally raised up to US 9.0 million, before expenses, by way of the issue of unsecured convertible loan notes (the "**Loan Notes**" or "**CLNs**") to three institutional investors. Together, these combined funding arrangements will enable the Company to shortly execute a contract for the use of a jack-up rig to drill the Chuditch-2 appraisal well ("**Chuditch-2**").

Highlights

- Farm-In Agreement will increase TIMOR GAP's working interest share from 40% to 70%
- SundaGas paying share of costs for Chuditch-2 reduced from 80% to 30%
- CLNs for up to US 9.0 million with three institutional investors arranged by Marex Financial ("**Marex**")
- SundaGas retains operatorship of the PSC in collaborative partnership with TIMOR GAP
- Rig contract being finalised and Chuditch-2 drilling currently scheduled for early Q3 2025
- Hannam & Partners appointed as Advisor and Joint Broker

Dr Andy Butler, Chief Executive Officer of Sunda, commented:
"*I am delighted to announce that funding has been confirmed for the drilling of the critical Chuditch-2 well. This funding paves the way to unlocking the value of the Chuditch gas field. We expect to sign a rig contract shortly and within a few months we expect to be drilling one of the most eagerly awaited and impactful wells in the Asia-Pacific region. We are grateful for our deepening collaborative relationship with TIMOR GAP. Their decision to further invest in Chuditch highlights not only the Project's materiality, but also its strategic national importance to Timor-Leste. Our aligned vision for the accelerated early development of the Chuditch gas field means TIMOR GAP remains the ideal joint venture partner as we enter the drilling phase. I also thank Marex as arranger and our three new institutional investors for their support, especially in the current challenging macro environment. We look forward to the exciting upcoming campaign and delivery of value from the Chuditch project for all stakeholders.*"

Terms of the Farm-In Agreement
On completion of the Farm-In Agreement ("**Completion**"), SundaGas will assign an initial 30% interest to TIMOR GAP. This interest is in addition to the 15% interest acquired by TIMOR GAP in the Farm-In transaction completed on 8 February 2024 and its original 25% interest (which portion is carried to first gas, the "**Carry**").

This assignment results in SundaGas retaining a significant 30% working interest in the Chuditch PSC, while TIMOR GAP will have a 70% interest. These working interests are derived from the summation of prior costs paid by each party from the inception of the PSC until 31 March 2025 and the estimated contributions from each party until the end of the Chuditch-2 drilling campaign.

From the effective date of 1 April 2025 until the end of Contract Year 3 of the PSC, TIMOR GAP is responsible for paying 72% of all PSC costs, including their share of the drilling of the planned Chuditch-2 appraisal well (and their share of the Carry). The Farm-In Agreement contains several obligations on the parties, including applying for an extension of Contract Year 3 (which currently expires on 18 June 2025) for a maximum of six months to allow sufficient time for drilling Chuditch-2 and subsequent post-well analysis.

Following the drilling, and prior to entry into the next phase of the PSC, an assessment of the actual respective contributions of each party will be made as a basis for the final allocation of working interests in the PSC (the "**Working Interest Reconciliation**"). This arrangement allows for flexibility in funding arrangements, with either party able to pay a greater or lesser share than its agreed paying interest proportion, meaning that the Company's working interest could increase or decrease proportionately. At the time of the Working Interest Reconciliation, Sunda will assign a bonus 1.5% working interest to TIMOR GAP as compensation for TIMOR GAP assuming a significant proportion of the Carry.

Completion will occur on satisfaction of three conditions precedent (the " **Conditions Precedent**"), namely: (i) signature of a contract for the use of a drilling rig for the drilling of the Chuditch-2 well; (ii) the passing of the resolutions to be proposed at a General Meeting of the Company, as described below; and (iii) approval of the Farm-In Agreement by the upstream regulator *Autoridade Nacional do Petróleo* ("**ANP**"). If the Conditions Precedent have not been satisfied before 00:00 hours in Dili on 30 May 2025, then the Farm-In Agreement may be terminated by either party at any time prior to the satisfaction of the Conditions Precedent.

Summary of the Loan Notes

The Company has received letters of subscription for Loan Notes from three institutional investors (collectively the "**Investors**" or singularly "**Investor**"), arranged by Marex Financial, to conditionally raise gross proceeds of up to US 9.0 million in aggregate (the "**Fundraising**"). The net proceeds of the Fundraising will be used to fund SundaGas' share of costs for Chuditch-2 and related project costs.

Each Investor has agreed to subscribe for an initial tranche of Loan Notes for an aggregate sum of US 1.5 million. Provided that the Company has complied with the draw down restrictions attached to the Loan Notes as summarised below, the Investors are subsequently required to subscribe for five further tranches of Loan Notes, each of an aggregate of US 1.5 million (the six tranches collectively being the "**Draw Downs**" and each a "**Draw Down**") and to be issued on the date falling 30 days after the previous tranche (a "**Further Issue Date**"). Each Draw Down will attract a finance charge of 10% of the aggregate principal amount of each Draw Down ("**Finance Charge**").

The Investors have the option to convert all or part of the outstanding balance of the Loan Notes into Ordinary Shares at any time before repayment of such outstanding balance by the Company is due, being 22 April 2026 (a "**Conversion**"). The price at which a Conversion will take place (the "**Conversion Price**") will be the higher of: (i) a 15% discount to the lowest daily volume weighted average trading price (in GBP) on any of the 20 business days prior to the issue of each individual conversion notice; and (ii) 0.025p per Conversion Share, being the nominal value per Ordinary Share.

The Draw Downs are subject to certain restrictions including minimum market capitalisation of the Company, minimum trading volume and minimum price of 0.025p. The Company has the right to redeem any outstanding balance under the CLNs at a 12.5% premium to the principal outstanding. Further information is provided on a circular to be sent to shareholders shortly and posted on the Company website (www.sundaenergy.com).

In the event of each Conversion, the Company will also grant the Investors warrants (the "**Warrants**"), which will be issued at a 30% premium to the Conversion Price (the "**Exercise Price**"). The number of Warrants to be granted to the Investors on each Conversion will be the number that equals 75% of the GBP equivalent of the outstanding balance of the Loan Notes that is converted into Ordinary Shares, divided by the Exercise Price. One Warrant will entitle the Investors to subscribe for one Ordinary Share at the Exercise Price. The Warrants can be exercised at any time prior to the third anniversary of the date on which they were granted.

The Board of the Company currently has limited authority to allot new Ordinary Shares and to grant rights to subscribe for or convert securities into new Ordinary Shares. As such, the issue of the Loan Notes and grant of the Warrants is conditional on approval of certain resolutions at a general meeting of the Company (the " **General Meeting**") to be held on 12 May 2025. A circular containing a notice convening the General Meeting is expected to be sent to shareholders shortly and a further announcement will be made by the Company to confirm this.

The first Draw Down is expected to take place immediately following the General Meeting.

Rationale for Farm-In Agreement and Loan Notes

As a large gas field in a relatively remote location, discussions with candidate funding partners have revolved around the development of Chuditch gas beyond the upcoming appraisal stage. A Memorandum of Understanding ("**MOU**") signed by SundaGas, TIMOR GAP and the Timor-Leste Ministry of Petroleum and Mineral Resources (announced on 12 December 2024) addressed the question of gas export concept, forming the basis for the Chuditch joint venture's development plan.

The Company had previously announced on 12 August 2024 that it had entered into an exclusive arrangement (the "**Exclusivity Agreement**") with Pacific LNG Operations Pte Ltd. ("**PLNG**"), a private group specialising in resource investments. Ultimately, discussions with PLNG did not reach a successful conclusion and the Exclusivity Agreement has been terminated. Several other parties submitted proposals to Sunda to participate in the Chuditch project, but these came with commercial terms that were unattractive or conditions that were not acceptable. These conditions included significant delays to appraisal drilling, unachievable commercial guarantees and unrealistic development concepts. Based on the outcome of the discussions described above, and considering the strength and depth of support for the Chuditch project from the Timor-Leste authorities, the board of directors of the Company considers that the new Farm-In by TIMOR GAP represents the best route to guarantee timely drilling of the Chuditch appraisal well and as such is in the best interests of the Company and its shareholders. The Fundraising and the Farm-In Agreement bring clarity to the Company's share of required capital for the drilling of Chuditch-2 and are expected to enable Sunda to retain a material interest in a significant gas asset.

The scale of the Chuditch gas resources means the asset remains highly material to the Company. Sunda, TIMOR GAP and ANP are aligned in seeking to realise the value of Chuditch gas resources in the interests of all stakeholders, including the people of Timor-Leste and Sunda's shareholders.

Drilling Planning Update

SundaGas, in close collaboration with TIMOR GAP, is finalising negotiations on a contract for the use of a jack-up rig to drill the Chuditch well. The contract is expected to be signed along with a number of additional contracts with other third-party service providers for a range of materials, equipment and services required for the drilling campaign, all of which are concluded or close to being finalised. A condition precedent to the Completion of the Farm-In Agreement is the signing of the rig contract.

Current expectations, based on the operational activities of other companies using the target drilling rig and its ongoing operational performance, along with the preparations and approvals processes that are ongoing for Chuditch-2, is that drilling of the well is most likely to commence in July or early August 2025. The precise date will remain uncertain and subject to these same conditions.

SundaGas is currently working through the various approval processes for drilling of the Chuditch-2 appraisal well. This includes preparing the submission of the final Environmental Impact Statement and Environmental Management Plan, which are currently going through a public consultation period, as announced by the Company on 11 April 2025.

Further information concerning operational preparations will be provided as appropriate as the drilling campaign approaches.

Appointment of Joint Broker

SundaGas is also pleased to announce, with immediate effect, the appointment of Hannam & Partners (H&P Advisory Ltd) as advisor and joint broker. Allenby Capital Limited remains the Company's nominated adviser and joint broker.

Media Update

The Company will publish an interview on the Proactive Investors platform with Dr Andy Butler, Sunda CEO, who will discuss the transactions announced today and the progress towards drilling Chuditch-2. An updated Company presentation will be uploaded to the Company's website (www.sundaenergy.com) in due course.

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