

Baron Oil subsidiary gets extension to Chuditch PSC

By Josh White in Sharecast.com, 4 June 2023

Baron Oil updated the market on the TL-SO-19-16 production sharing contract (PSC) on Friday, located offshore Timor-Leste.

The AIM-traded firm said its wholly-owned subsidiary SundaGas, which operates the Chuditch PSC, has received a six-month extension for contract year two of the PSC from the Autoridade Nacional do Petróleo e Minerais (ANPM).

It said the extension granted SundaGas additional time to complete the necessary preparations before entering the drilling phase of the PSC.

As a result, contract year two of the PSC would now expire on 18 December this year.

Following that, on entering contract year three, SundaGas committed to drilling one well to appraise the Chuditch-1 discovery.

A decision on whether to proceed with the drilling phase was required to be made on or before the expiration date.

Baron Oil said the extension would allow SundaGas to conduct a comprehensive evaluation of candidate drilling locations and well trajectories, which would be crucial inputs into the final well design.

The company was aiming to ensure that all necessary preparations were in place to maximise the efficiency and success of the drilling operation.

To cover the extension period, arrangements were being made to extend the existing \$1m bank guarantee, which was currently set to expire on 1 August.

An extension there would provide the required financial security throughout the extended contract year two.

“As the company indicated in its final results for 2022 on 23 May, there are a number of ongoing discussions with third parties regarding participation in the Chuditch appraisal well and future activities,” the board said in its statement.

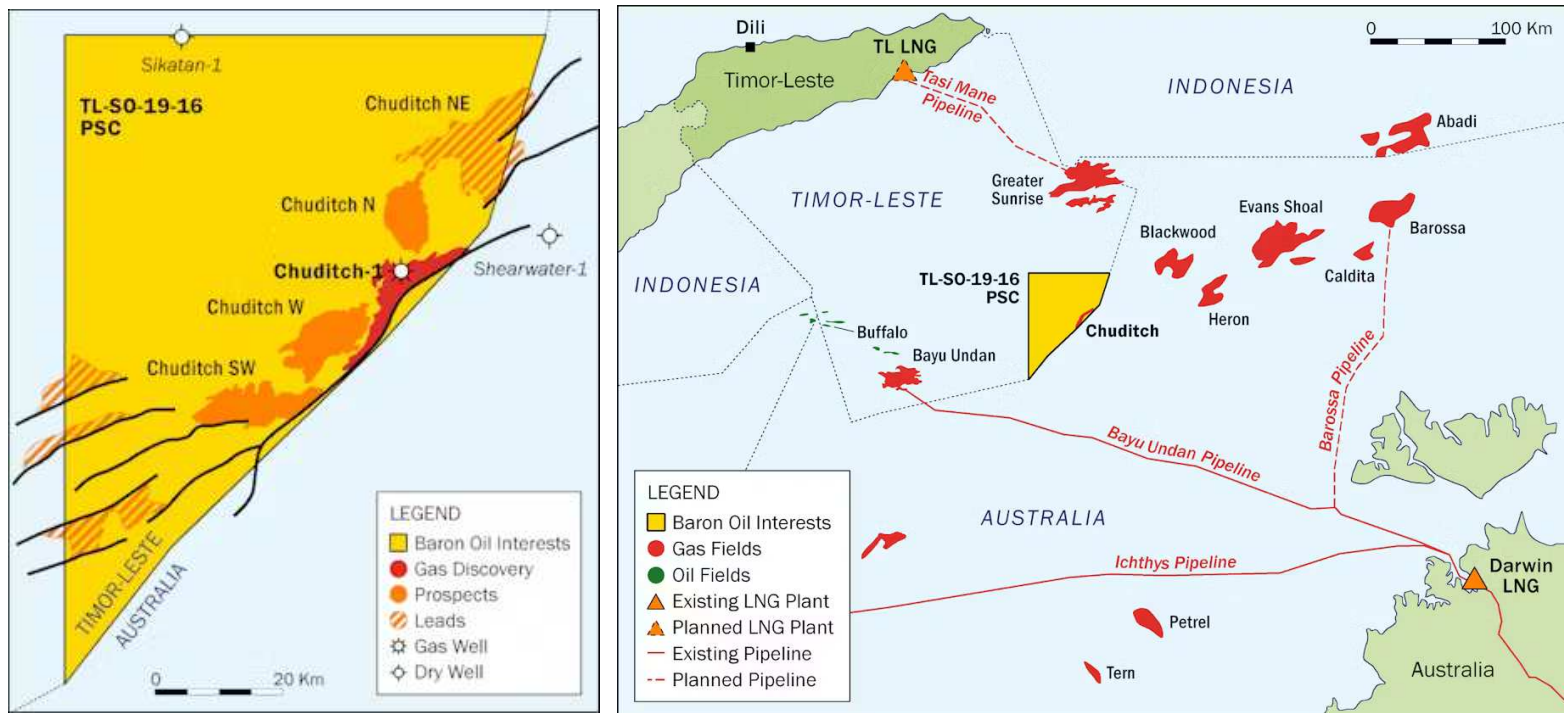
“Whilst there is the usual uncertainty over whether and when such discussions may come to fruition, the granting of a further six-month extension and its associated work programme maximises the chances of success.

“We look forward to updating shareholders on progress as and when appropriate.”

At 1225 BST, shares in Baron Oil were down 4.05% at 0.09p.

Timor-Leste approves Chuditch PSC extension ahead of drilling phase

Offshore staff, 2 June 2023



LONDON — Baron Oil subsidiary SundaGas Banda Unipessoal has secured a six-month extension to the TL-SO-19-16 production sharing contract (the Chuditch PSC) offshore Democratic Republic of Timor-Leste.

The Timor-Leste national authority Autoridade Nacional do Petróleo e Minerais (ANPM) granted the extension to Contract Year Two until Dec. 18, 2023.

SundaGas Banda Unipessoal requested the additional time to cover preparations prior to entering the drilling phase in Contract Year Three, where the commitment is one appraisal well on the Chuditch-1 discovery.

Preparatory activities include detailed evaluation of candidate drilling locations and well trajectories to support the final well design.

At the same time, the company is making arrangements to extend its \$1 million Bank Guarantee from the current expiry date of Aug. 1 to cover the extension period.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF
REGULATION 11 OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS
2019/310.

2 June 2023

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Baron Oil Plc

("Baron" or the "Company")

Chuditch PSC Update - 6 Month Extension Granted

Baron Oil Plc (AIM:BOIL), the AIM-quoted oil and gas exploration and appraisal company, is pleased to announce an update on the TL-SO-19-16 Production Sharing Contract (the "Chuditch PSC" or "PSC"), offshore Democratic Republic of Timor-Leste.

Extension Granted

Baron's wholly owned subsidiary, SundaGas Banda Unipessoal Lda. ("SundaGas"), which operates the Chuditch PSC, has been granted a further six-month extension to Contract Year Two of the PSC by the relevant Timor-Leste national authority, Autoridade Nacional do Petróleo e Minerais ("ANPM").

Contract Year Two of the PSC will now expire on 18 December 2023, with a subsequent commitment, on entry into Contract Year Three, for the drilling of one well to appraise the Chuditch-1 discovery. The practical effect of this is that a decision on whether to enter the drilling phase is now required to be taken at or before that date.

The extension to PSC Contract Year Two was requested to allow additional time for the necessary preparations prior to entering the drilling phase of the PSC. These activities include the detailed evaluation of candidate drilling locations and well trajectories for input into the final well design.

Arrangements are being made to extend the existing US\$1 million Bank Guarantee from its current expiry date of 1 August 2023 to cover the extension period.

Chuditch Farmout Update

As the Company indicated in its Final Results for 2022 on 23 May 2023, there are a number of ongoing discussions with third parties regarding participation in the Chuditch appraisal well and future activities. Whilst there is the usual uncertainty over whether and when such discussions may come to fruition, the granting of a further six-month extension and its associated work programme maximises the chances of success.

We look forward to updating shareholders on progress as and when appropriate.

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