

Challenger Energy Group PLC

Keynote Presentation to World Energy Capital Assembly

The Emerging Upstream Opportunity in Uruguay

Eytan Uliel – Chief Executive Officer
London, Tuesday November 14, 2023

The logo for Challenger Energy Group (CEG) consists of the letters 'CEG' in a bold, white, sans-serif font. The 'C' and 'E' are connected at the top, and the 'G' is slightly offset to the right.The logo for World Energy Capital Assembly (WECA) features the letters 'WECA' in a bold, sans-serif font. The 'W' and 'E' are in a light blue color, while the 'C' and 'A' are in a darker blue. The 'E' has three horizontal bars.

WORLD ENERGY CAPITAL ASSEMBLY

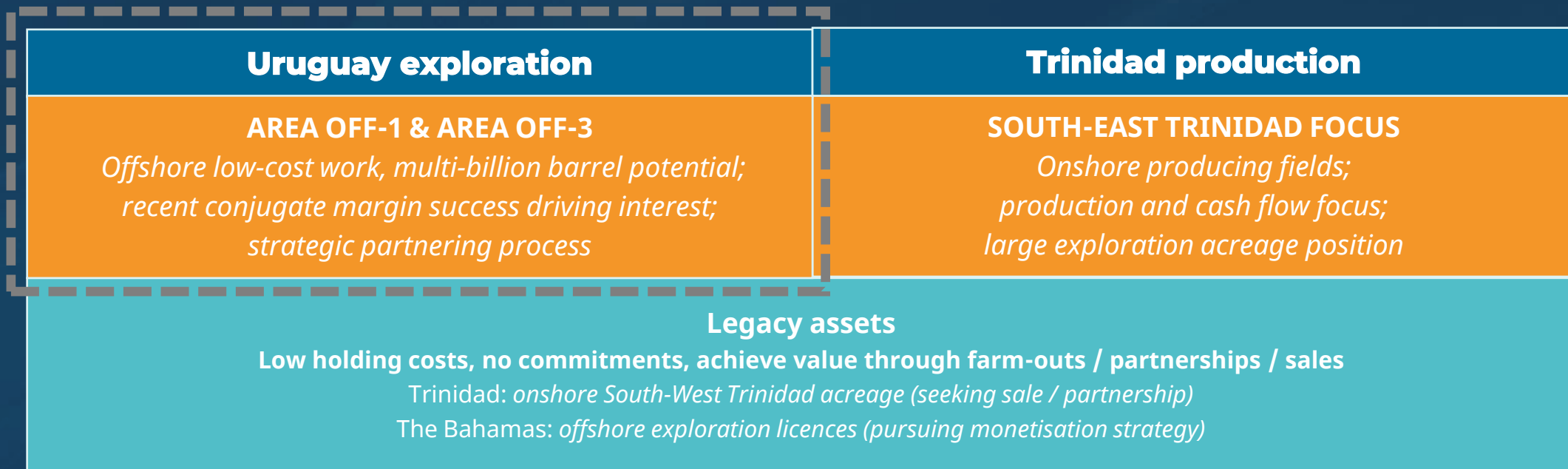
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CHALLENGER ENERGY BUSINESS OVERVIEW



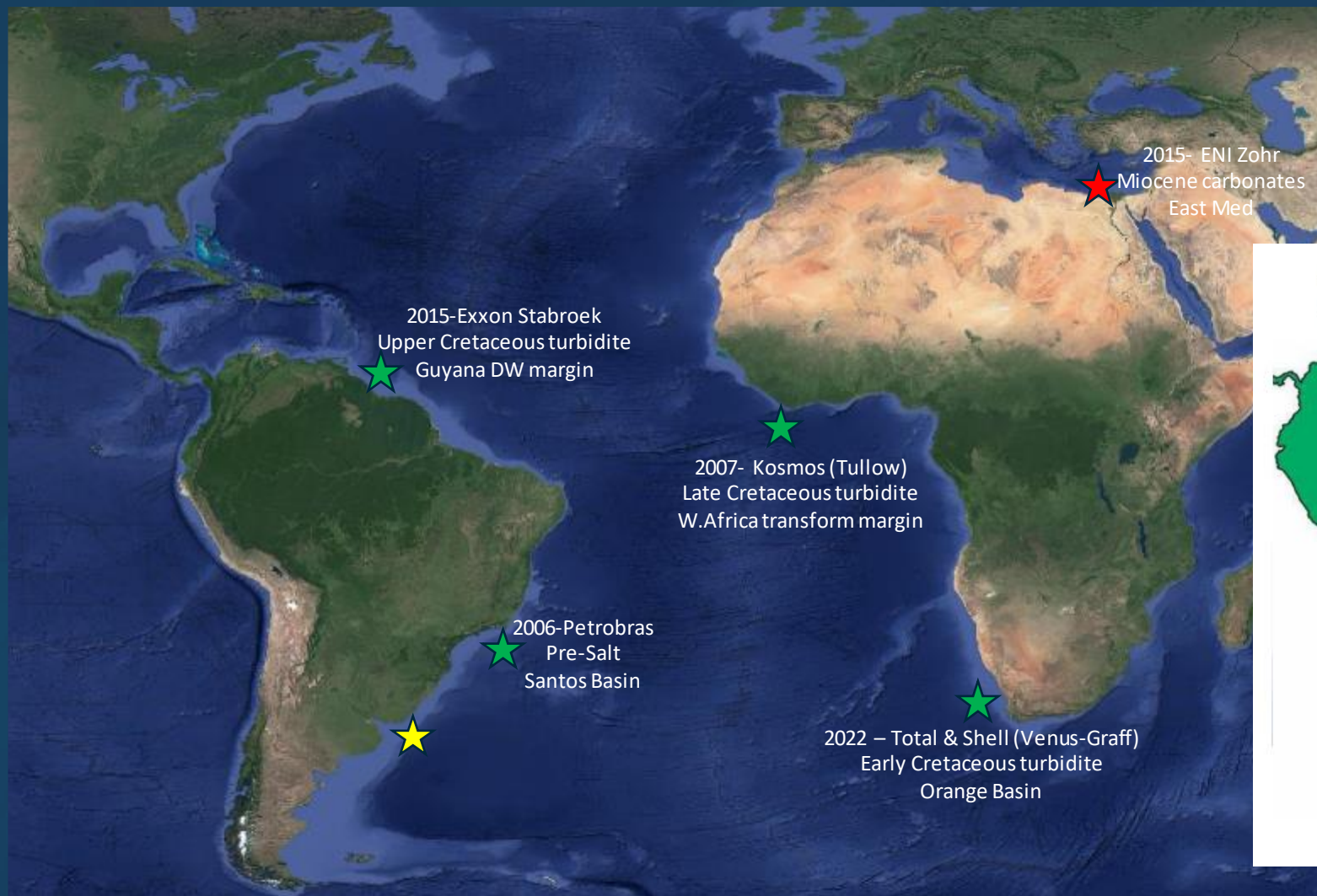
Caribbean and Americas focused junior E&P company; AIM listed

- Uruguay exploration assets: near-term value upside
- Trinidad business: production, low-risk, low-capital

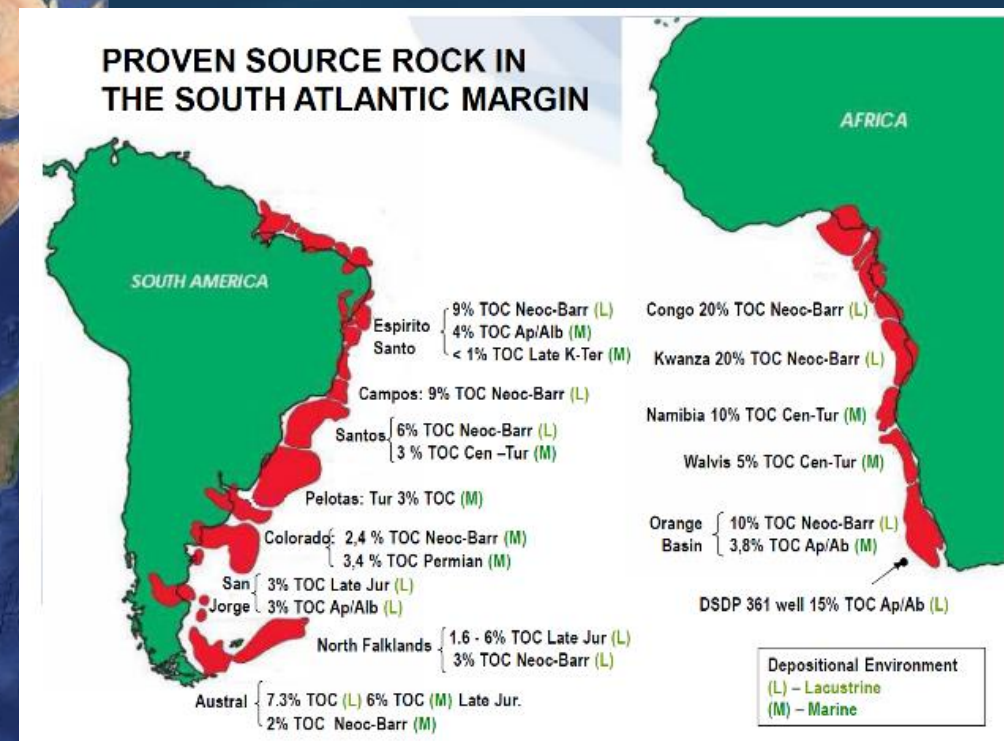


URUGUAY IN CONTEXT

South-Atlantic margin has been the super-giant discovery success story of the last 20 years






Play and margin opening successes have resulted from patience, advances in technology, and willingness to challenge geological dogma / wisdom



OFFSHORE URUGUAY: AN OVERNIGHT SUCCESS..... 15 YEARS IN THE MAKING

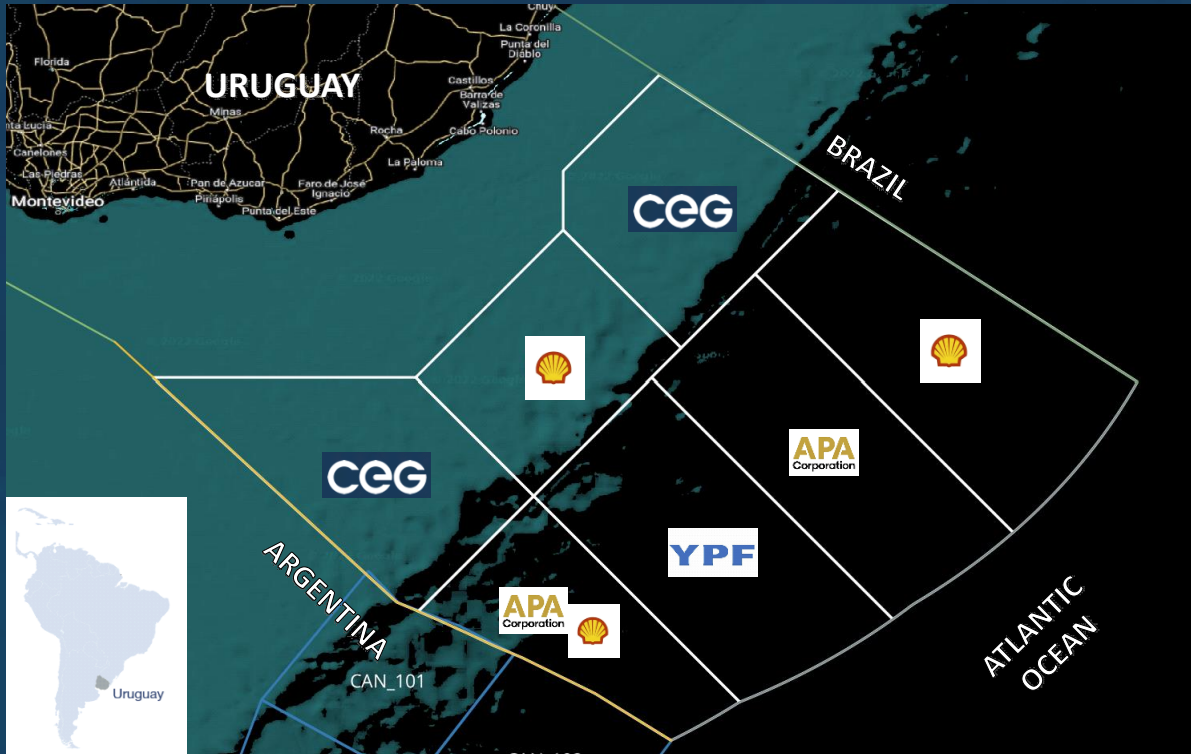


1970 to 2009	2010 to 2016 (Ronda II & Raya)	2017-2019 (Ronda III)	2020 to 2023
<p>1970 to 2009 – 2D seismic acquired</p> <p>1976 – Lobo & Gaviotin drilled</p> <p>2007 – ANCAP E&P created</p> <p>2009 – Ronda I </p> <p>2 Areas awarded, Area 3 & 4 to YPF, PetroBras & GALP</p>	<p>2012 – Ronda II </p> <p>8 Areas awarded to BP, BG, Total & Tullow</p> <p>2012-2014 - ~ 40,000 km² of 3D seismic & 13,500 kms CSEM acquired</p> <p>2016 – Raya (Total et al) First deepwater well drilled</p>	<p>2018 – Ronda III No Bids </p> <p>2019 – Kosmos submitted bids on two areas, but subsequently withdrawn</p>	<p>2020 Open Round</p> <p>OVERNIGHT SUCCESS!!</p>

URUGUAY IS A NEW GLOBAL EXPLORATION HOTSPOT



In 3 years, Uruguay offshore has gone from zero to fully licenced – a remarkable achievement

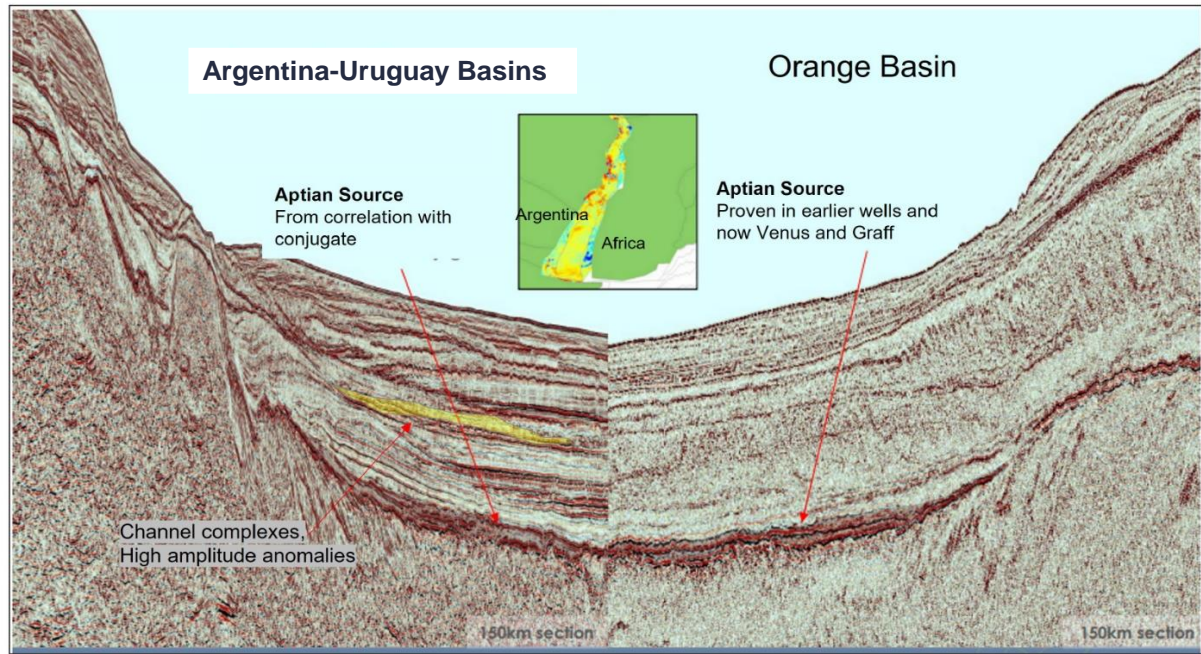


AREA / HOLDER	WI %	AWARD DATE	WORK PROGRAM COMMITMENT	ESTIMATED WP VALUE
AREA OFF-1 CEG	100	May 2020	2D seismic licencing & reprocessing G&G Studies	US\$2m
AREA OFF-2 SHELL (APA also bid)	100	May 2022	Gravity & Magnetic 3D reprocessing; G&G Studies	US\$10m
AREA OFF-6 APA	100	May 2022	Drilling one well in Period 1 Data licencing; G&G Studies	US\$125m
AREA OFF-7 SHELL	100	May 2022	Gravity & Magnetic 3D reprocessing; G&G Studies	US\$10m
AREA OFF-4 APA & SHELL (YPF also bid)	60/40	Nov 2022	Acquisition of 2500 km ² 3D seismic Data licencing + G&G Studies	US\$40m
AREA OFF-5 YPF	100	Nov 2022	Gravity & Magnetic 3D reprocessing; G&G Studies	US\$10m
AREA OFF-3 CEG	100	May 2023	2D seismic licencing & reprocessing; G&G Studies	US\$1m

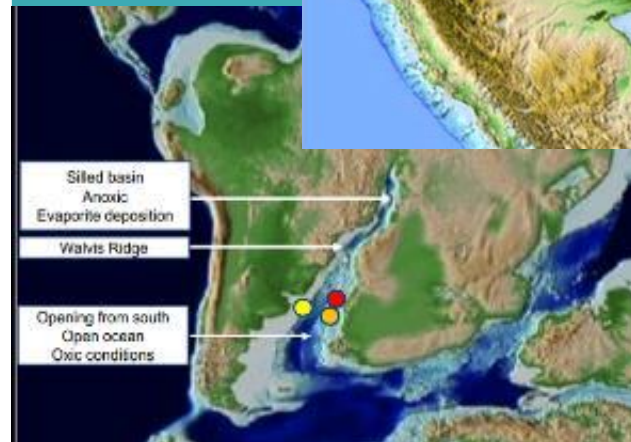
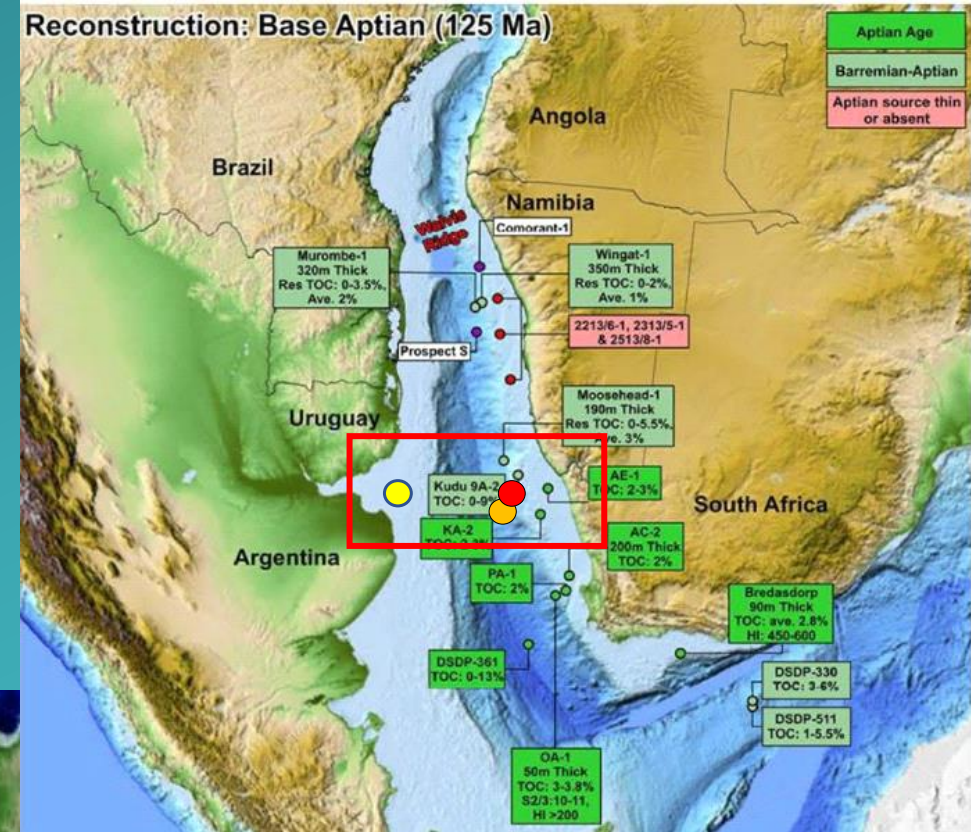
BELOW GROUND: SIGNIFICANCE OF NAMIBIAN DISCOVERIES



- The Venus mega discovery offshore Namibia is charged by an Early Cretaceous age Aptian source interval
- This same source interval that charges both discoveries can be seismically correlated to South American conjugate margin – including CEG’s AREA OFF-1 in the Punta del Este basin, offshore Uruguay
- This establishes the potential for a new, prolific petroleum system being present in the South American Atlantic margin



Source: Modified from DeVeto & Kearnes, 2022



- ● Venus & Graff
- Area OFF-1

ABOVE GROUND: JURISDICTION HIGHLIGHTS

Attractive fiscal terms and operating environment for E&P in Uruguay Uruguay is widely recognised as the premier Latin-American country for business

- Transparent
- Excellent social and political system
- Well-functioning democracy
- Educated and skilled workforce
- Reliable legal system
- Stable and well managed economy



Democracy Index

(Economist Intelligence Unit, 2022,
www.eiu.com/n/campaigns/democracy-index-2022/#mktoForm_anchor)

#1



Rule of Law Index

(World Justice Report, 2021,
www.freedomhouse.org/country/uruguay/freedom-world/2023)

#1



Low Corruption

(Transparency International, 2022,
www.transparency.org/en/cpi/2022/index/ury)

#1



Social Mobility

(World Economic Forum, 2020,
www.weforum.org/reports/global-social-mobility-index-2020-why-economies-benefit-from-fixing-inequality)

#1



Civil Liberties

(Freedom House, 2023,
www.freedomhouse.org/country/uruguay/freedom-world/2023)

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E-Government Development Index

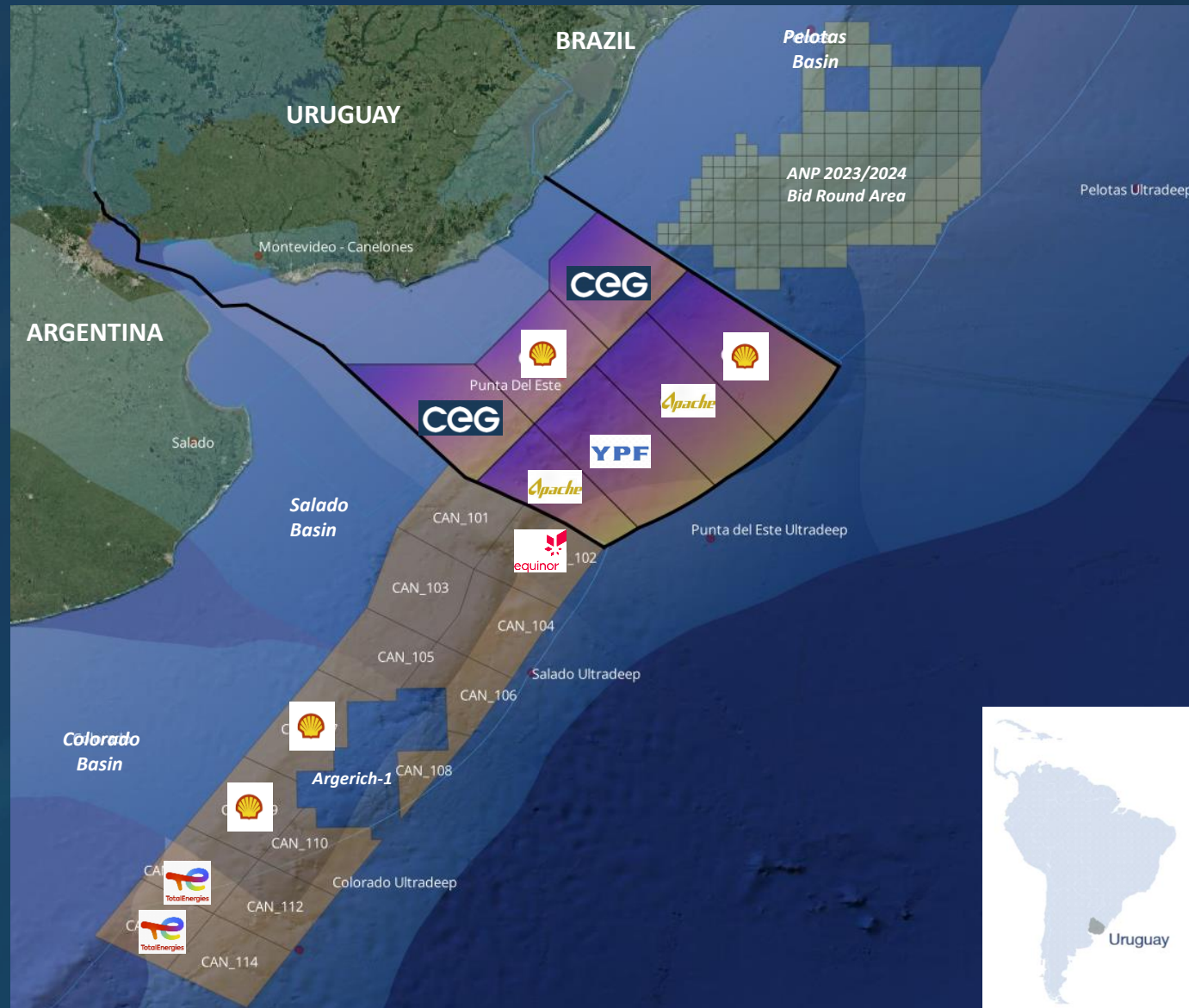
(United Nations, 2022,
publicadministration.un.org/egovkb/en-us/)

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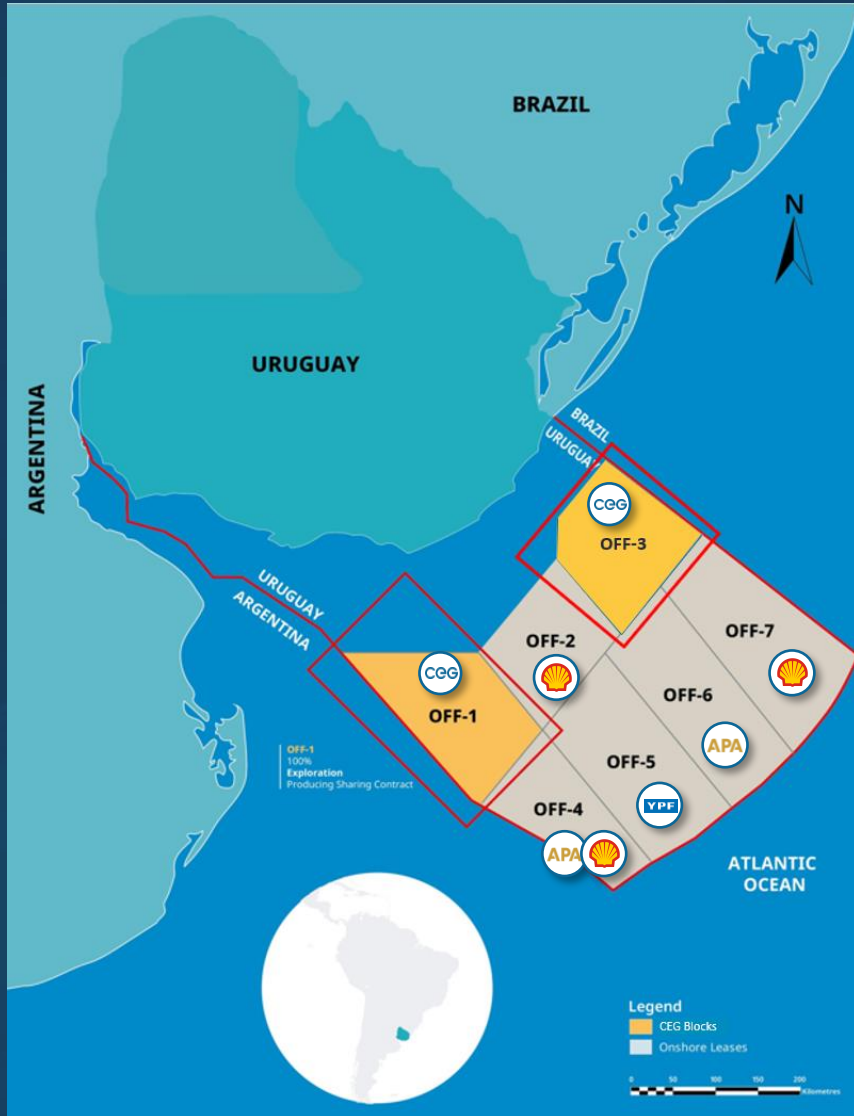
INTENSIVE E&P REGIONAL ACTIVITY UNDERWAY

Drilling & 3D acquisition in offshore Uruguay & Argentina is being accelerated as a result of Namibia margin discoveries

- Argentina's 1st deepwater well, Argerich-1 scheduled Q1 2024
 - Equinor operated with partners YPF and Shell, 200 kms offshore in Block CAN-100
 - Projected TD of 4,050m; water depth 1,535m
 - Targeting a Cretaceous play similar to Venus
- Equinor, in conjunction with partner Argentinian national oil company YPF, will acquire 3D seismic on Blocks CAN-102, CAN-108 & CAN-114
- Other operators, Shell & Total with partners BP and Qatar Energy, will be acquiring seismic in 2023 / 24
- Brazil regulatory agency ANP, have just announced 12 sectors in the Pelotas Basin will be offered in December 2023, adjoining Uruguay



CHALLENGER'S URUGUAY ASSETS: AT A GLANCE



LARGE OFFSHORE LICENCES WITH RUNNING ROOM

AREA OFF-1: 14,557 km²; AREA OFF-3 13,252 km²
 CEG has 100% working interest; ~ 100 kms offshore in Punta del Este basin; underexplored area

EXPLORATION PLAY DIVERSITY

Multiple, independent plays have now been identified, corroborated and calibrated from CEG's 2023 work, with source and reservoir similar to Namibian ultra-deepwater super-discoveries

SCALE & MATERIALITY

AREA OFF-1: c. 2 bnboe EUR*, from three prospects
 AREA OFF-3: c. 0.5 bnboe EUR†, 9 tcf from two prospects

ATTRACTIVE LICENCE AND FISCAL TERMS

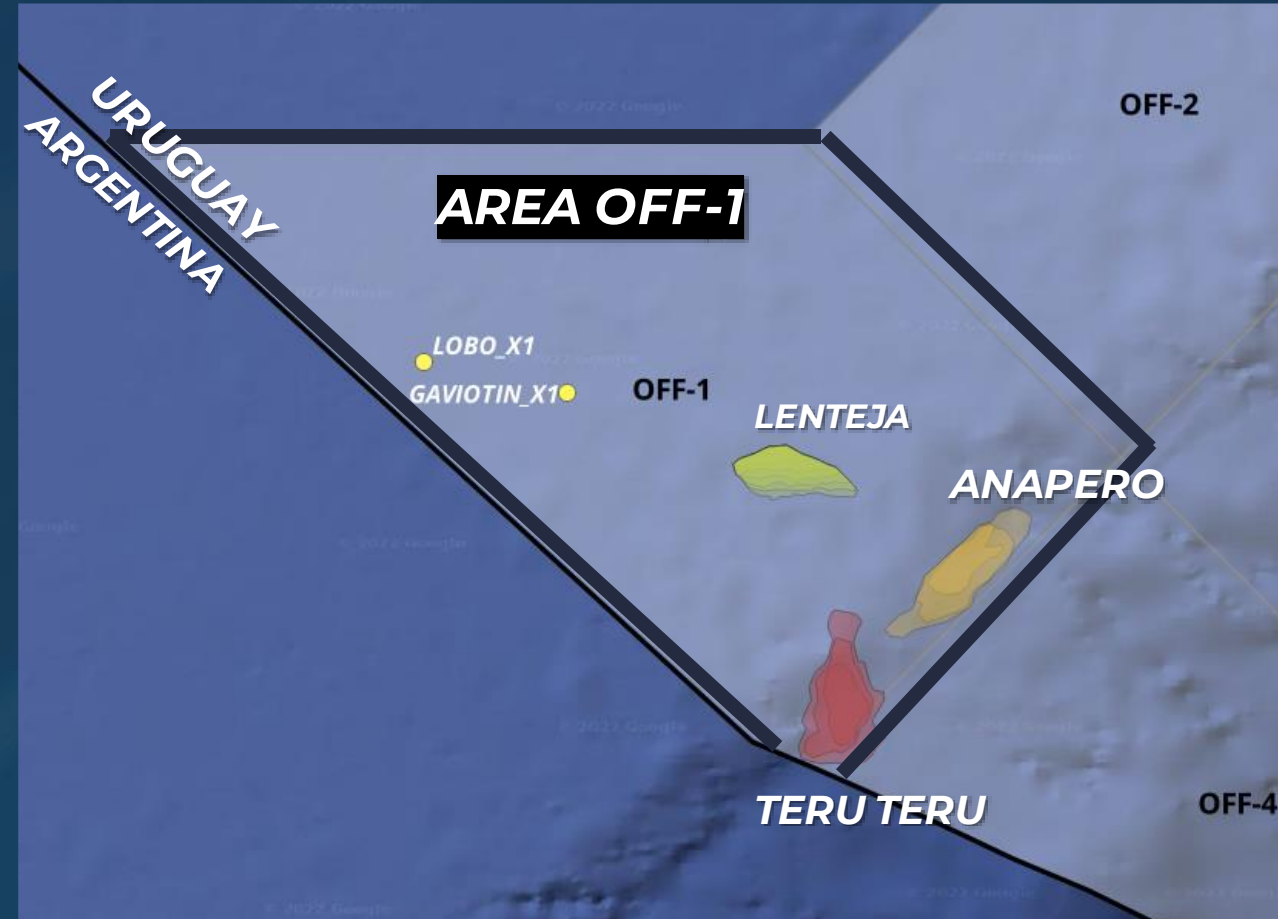
Uruguay is the top ranked country in South America
 Globally competitive, upper quartile fiscal regime; no bonus / royalties

*EUR estimates are on Pmean basis
 † P50 sourced primarily from ANCAP

AREA OFF-1: PROSPECT & VOLUMES SUMMARY

PROSPECT NAME	AREAL EXTENT P10/50/90	WATER DEPTH	RESERVOIR TOP DEPTH	ESTIMATED EUR (mmboe) P10/Pmean/P50/P90
TERU TERU	360 / 210 / 106 km ²	~ 800 m	3,810 m	1,647 / 740 / 547 / 158
ANAPERO	304 / 214 / 101 km ²	~ 550 m	3,400 m	1,627 / 670 / 445 / 88
LENTEJA	246 / 85 / 14 km ²	~ 85 m	4,500 m	1,666 / 576 / 198 / 17

PROSPECT NAME	DEPOSITIONAL ENVIRONMENT	STRATIGRAPHIC AGE
TERU TERU	Slope turbidite to shelf margin wave delta AVO supported – Class I to II	Mid to Upper Cretaceous Albian to Campanian
ANAPERO	Outer shelf margin stacked sands AVO supported – Class II	Upper Cretaceous Campanian
LENTEJA	Lacustrine alluvial syn-rift sealed by regional unconformity; No AVO identified	Lower Cretaceous Neocomian





The region is experiencing a significant increase in licencing and operational activity, and Uruguay has become an emerging industry “hot spot”

- Collective work program of other Uruguay licence holders estimated to be c.\$200m over the next four years



CEG is the only junior with a prime licence holding in the region

- All of offshore Uruguay has now been licenced and with the exception of CEG, all to majors
- CEG is the second largest acreage holder offshore Uruguay



A clear commercial strategy

- Complete CEG's low-cost work program to enhance technical value of the AREA OFF-1 licence
- Introduce a partner via a farm-out transaction; objective is to fast-track participation in a multi-client 3D seismic acquisition, during the first licence exploration period

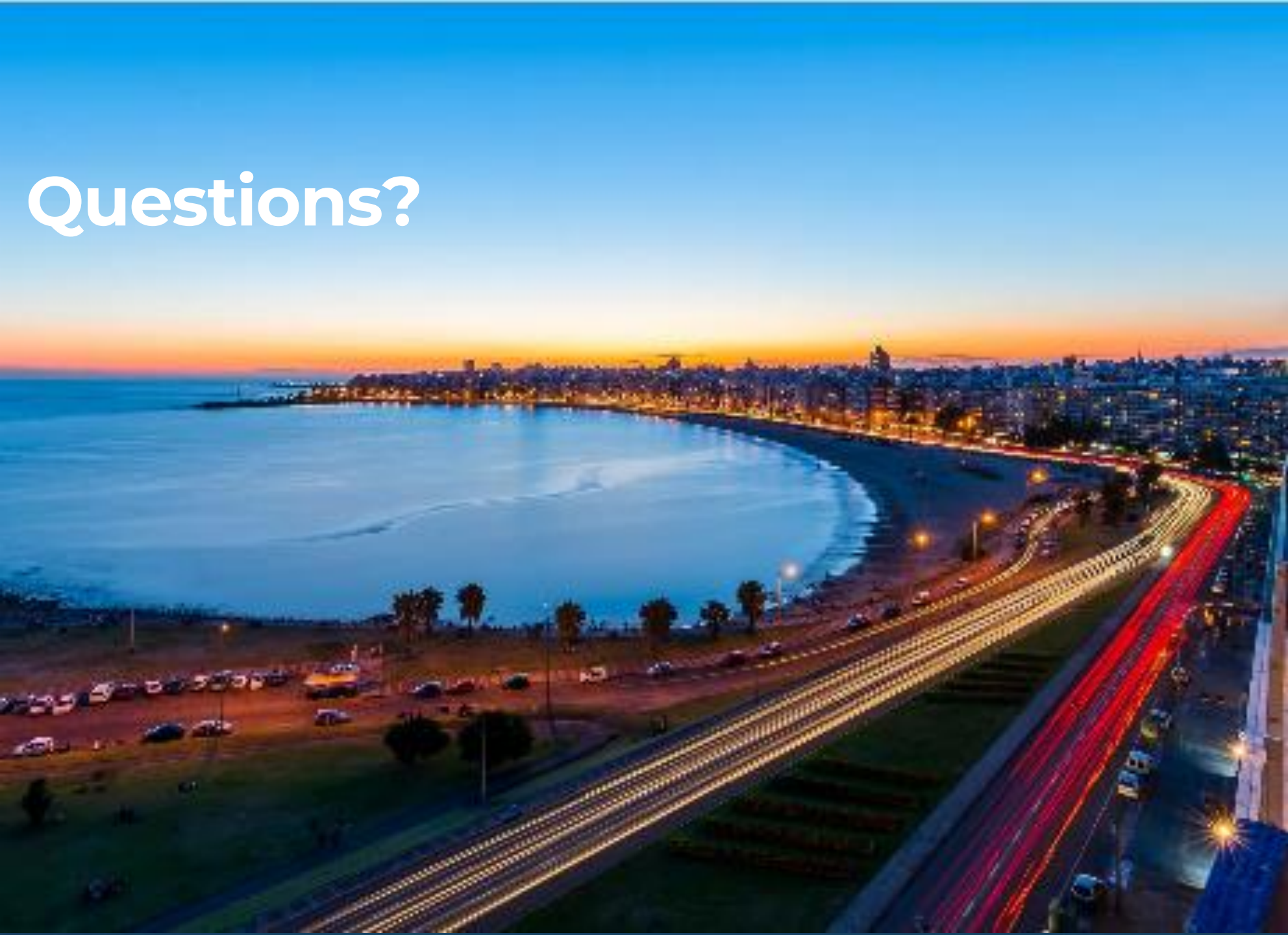
For Uruguay:

- Frontier E&P success requires patience, willingness to challenge technical dogma, a robust below ground technical case, and a positive above ground environment - government support and industry implementation
- Uruguay is an excellent country to do business in, highly supportive of E&P, and the offshore remains a very underexplored margin
- Hydrocarbon development is seen as part of Uruguay's future energy mix and co-exists alongside renewables
- The last 3 years has seen Uruguay become an exploration hotspot – now fully licenced; next wave of activity with new seismic and drilling bodes well to transforming the margin into a significant oil province
- Uruguay could be the next Guyana or Namibia!

For Challenger:

- A prospect inventory of up to 2 billion barrels defined, three sizeable prospects thus far identified, from a range of play types, and charged by a source interval the same as those de-risked by recent successful conjugate margin drilling offshore Namibia; prospects are seismically-derived, and supported / further de-risked by AVO analysis
- Conjugate margin success, competitive recent licensing rounds in Uruguay, and value uplift from CEG's 2023 technical work are driving drive farm-out process

Questions?



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