

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser. The contents of this Circular are not to be construed as legal, business or tax advice. Shareholders should rely only on the information in this Circular. No person has been authorised to give any information or make any representations other than those contained in this Circular and, if given or made, such information or representations must not be relied on as having been authorised by the Company.

If you have sold or otherwise transferred all of your Ordinary Shares in Challenger Energy Group PLC, please immediately forward this Circular, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected as soon as possible for onward transmission to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please consult the stockbroker, bank or other agent through whom the sale was made.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Neither the London Stock Exchange nor the Financial Conduct Authority has examined or approved the contents of this Circular. The AIM Rules are less demanding than those of the Official List of the Financial Conduct Authority.

CHALLENGER ENERGY GROUP PLC

(Incorporated in the Isle of Man under the Companies Acts 1931 to 2004 and with Company Number 123863C)

Proposed Sale of CEG Trinidad and Notice of Extraordinary General Meeting

You should read the whole of this Circular. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 7 to 14 (inclusive) of this Circular and which recommends you to vote in favour of the Resolution to be proposed at the Extraordinary General Meeting referred to in this Circular. Whether or not you intend to attend the Extraordinary General Meeting, you are encouraged to complete and return the enclosed Form of Proxy in accordance with the instructions printed on the form.

This Circular should be read in conjunction with the Notice of Extraordinary General Meeting and Form of Proxy. Notice of an Extraordinary General Meeting of the Company, to be held at the Company's registered office at The Engine House, Alexandra Road, Castletown, Isle of Man IM9 1TG on Thursday 27 March 2025 at 10.00 a.m., is set out at the end of this Circular. Shareholders will find enclosed with this Circular a Form of Proxy for use in connection with the Resolution to be proposed at the Extraordinary General Meeting. To be valid the Form of Proxy must be completed and returned in accordance with the instructions printed thereon to the Company's registrars, MUFG Corporate Markets, so as to be received as soon as possible but in any event no later than 10.00 a.m. on 25 March 2025. The completion and return of the Form of Proxy will not preclude Shareholders from attending the Extraordinary General Meeting and voting in person should they subsequently wish to do so.

Alternatively, you can submit a proxy vote online via the Investor Centre app or by accessing via a web browser at uk.investorcentre.mpms.mufg.com.

Shareholders who hold their shares through CREST and who wish to appoint a proxy or proxies for the Extraordinary General Meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the CREST proxy voting service in accordance with the procedures set out in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to that CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

Cautionary note regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include

statements regarding the Directors' current intentions, beliefs or expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and the Company's markets. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual results and developments could differ materially from those expressed or implied by the forward-looking statements.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this document are based on certain factors and assumptions, including the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity. Whilst the Directors consider these assumptions to be reasonable based upon information currently available, they may prove to be incorrect. Save as required by law or by the AIM Rules, the Company undertakes no obligation to publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document.

Basis on which information is presented

In this document, references to "pounds sterling", "£", "GBP", "pence" and "p" are to the lawful currency of the United Kingdom and references to "dollars", "\$", "US\$" and "USD" are to the lawful currency of the United States of America.

References to defined terms

Certain terms used in this document are defined and explained at the section of this document under the heading "Definitions".

Rounding

Certain data in this document, including financial, statistical and operational information has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. Percentages in tables have been rounded and, accordingly, may not add up to 100 per cent.

Presentation of market, economic and industry data

This document contains information regarding the Company's business and the industry in which it operates and competes, which the Company has obtained from various third-party sources. Where information contained in this document originates from a third-party source, it is identified where it appears in this document together with the name of its source. Such third-party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No incorporation of website information

Other than in respect of financial information, the contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and prospective investors should not rely on them.

This document is published on Friday 28 February 2025.

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EXPECTED TIMETABLE OF EVENTS

| | |
|--|-----------------------------|
| Publication of this Circular | 28 February 2025 |
| Record Date | 25 March 2025 |
| Latest time and date for receipt of Forms of Proxy or CREST proxy instructions | 10.00 a.m. on 25 March 2025 |
| Extraordinary General Meeting | 10.00 a.m. on 27 March 2025 |
| Anticipated completion date of the proposed Trinidad Disposal | By 30 April 2025* |

The Company reserves the right to change any of the above times and/or dates.

If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

All references to times in this Circular are to London time unless otherwise stated.

* Completion of the Trinidad Disposal is conditional on both the approval of the Company's shareholders and the approval of Heritage being obtained by 30 April 2025 (or such later date as the parties may agree).

DEFINITIONS

The following definitions apply throughout this Circular and the accompanying Form of Proxy unless the context otherwise requires:

| | |
|---|--|
| “AIM” | the market of that name operated by the London Stock Exchange |
| “AIM Rules” | the AIM Rules for Companies published by the London Stock Exchange from time to time |
| “Business Day” | a day (other than a Saturday or Sunday) in which clearing banks in the City of London are generally open for business |
| “Caribbean Rex” | Caribbean Rex Limited, an entity jointly owned by T-Rex Resources and WIEGL |
| “CEG Trinidad” | Columbus Energy (St. Lucia) Limited, an entity wholly owned by the Company |
| “CEG Trinidad Group” | CEG Trinidad and its various subsidiary entities that collectively represent all of the Company’s business, assets, undertakings and operations in Trinidad and Tobago |
| “Chevron” | Chevron Mexico Finance LLC |
| “Circular” | this document, including the Notice of Extraordinary General Meeting contained in this document |
| “Company” or “Challenger Energy” | Challenger Energy Group PLC |
| “CREST” | the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form |
| “CREST member” | a person who has been admitted by Euroclear as a member (as defined in the CREST Regulations) |
| “CREST participant” | a person who is, in relation to CREST, a user (as defined in the CREST Regulations) |
| “CREST Regulations” | the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended |
| “CREST sponsor” | a CREST participant admitted to CREST as a CREST sponsor |
| “CREST sponsored member” | a CREST member admitted to CREST as a sponsored member |
| “Directors” or “the Board” | the directors of the Company whose names are set out on page 7 |
| “Euroclear” | Euroclear UK & International Limited |
| “Existing Ordinary Shares” | the 245,721,322 Ordinary Shares in issue as at the Last Practicable Date |
| “Extraordinary General Meeting” | the Extraordinary General Meeting of the Company being convened for 10.00 a.m. on 27 March 2025, notice of which is set out at the end of this Circular |
| “Form of Proxy” | the form of proxy enclosed with this Circular for use in connection with the Extraordinary General Meeting |

| | |
|--|--|
| “FSMA” | Financial Services and Markets Act 2000 of the United Kingdom, as amended |
| “Heritage” | Heritage Petroleum Limited, the state-owned national oil company of Trinidad and Tobago |
| “Last Practicable Date” | 27 February 2025, being the last practicable date prior to publication of this Circular |
| “London Stock Exchange” | London Stock Exchange PLC |
| “MUFG Corporate Markets” | a trading name of MUFG Corporate Markets (UK) Limited and MUFG Corporate Markets Trustees (UK) Limited, a company registered in England & Wales with registered number 2605568, the Company’s registrars |
| “Notice of Extraordinary General Meeting” or “Notice” | the notice of the Extraordinary General Meeting set out at the end of this Circular |
| “Ordinary Shares” | the ordinary shares of 1 penny each in the capital of the Company |
| “POGH” | Predator Oil & Gas Holding PLC |
| “POGH Shares” | ordinary shares in the capital of POGH |
| “Record Date” | 25 March 2025 |
| “Resolution” | the resolution being proposed at the Extraordinary General Meeting for the purpose of approving the Trinidad Disposal pursuant to Rule 15 of the AIM Rules |
| “Shareholders” | the shareholders of the Company from time to time |
| “T-Rex Resources” | T-Rex Resources (Trinidad) Limited, a wholly owned subsidiary of POGH |
| “Trinidad Disposal” | the proposed disposal by the Company to Caribbean Rex of the entire issued ordinary share capital of CEG Trinidad |
| “£” or “GBP” | Great British pounds, being the official currency of the United Kingdom |
| “\$”, “US\$” or “USD” | United States dollars, being the official currency of the United States of America |
| “WIEGL” | West Indian Energy Group Limited |

LETTER FROM THE CHAIRMAN

CHALLENGER ENERGY GROUP PLC

(Incorporated in the Isle of Man under the Companies Acts 1931 to 2004 and with Company Number 123863C)

Directors:

Iain McKendrick *(Independent Non-Executive Chairman)*
Eytan Uliel *(Chief Executive Officer)*
Stephen Bizzell *(Independent Non-Executive Director)*
Robert Bose *(Independent Non-Executive Director)*
Simon Potter *(Independent Non-Executive Director)*

Registered Office:

The Engine House
Alexandra Street
Castletown
Isle of Man
IM9 1TG

Date: 28 February 2025

To Shareholders and, for information purposes only, warrant holders and option holders

Dear Shareholder

Proposed disposal of CEG Trinidad and Notice of Extraordinary General Meeting

1. Introduction

On 18 February 2025, the Company announced that it had entered into an agreement to sell 100 per cent. of a wholly-owned St. Lucia domiciled subsidiary company, CEG Trinidad, to Caribbean Rex. CEG Trinidad in turn holds various subsidiary entities (together the “CEG Trinidad Group”) that collectively represent all of the Company’s business, assets, undertakings and operations in Trinidad and Tobago. This Trinidad Disposal, if completed, would thus represent the complete exit of the Company from Trinidad and Tobago. Details of the Trinidad Disposal, including the consideration to be received, are set out in paragraph 4 (*Details of the Trinidad Disposal*) of this letter.

The CEG Trinidad Group represents a relatively small portion of the Company’s overall balance sheet value, and is loss-making, thus contributing no profit or surplus cashflow to the Company. The CEG Trinidad Group is also not core to the Company’s current overall business strategy, which is to focus on its high-value Atlantic-margin exploration assets in Uruguay. However, due to the fact that the CEG Trinidad Group currently contributes 100 per cent. of the Company’s total revenue, pursuant to AIM Rule 15, the Trinidad Disposal constitutes a fundamental change in business and thus is conditional, amongst other things, upon Shareholder approval. The purpose of this Circular is therefore to provide Shareholders with the details of, background to and reasons for the Trinidad Disposal, and to explain why the Directors believe it is in the best interests of the Company and its Shareholders as a whole for the Trinidad Disposal to proceed.

The action that you should take to vote on the Resolution, and the recommendation of the Board, are set out in paragraphs 9 (*Action to be Taken*) and 10 (*Recommendation*), respectively, of this letter.

In the event that the Resolution is not passed the Trinidad Disposal will not proceed, and the Company will continue for the immediate future to own and operate its business and assets in Trinidad and Tobago.

2. Information on the Company

Challenger Energy is an Atlantic-margin focused energy company, with a current high-impact position in Uruguay, where the Company holds two 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.

Additional information is available on the Company’s website: <https://www.cegplc.com>

3. Rationale for the Trinidad Disposal

The Company acquired the CEG Trinidad Group as a consequence of the merger of the Company with Columbus Energy Resources PLC, in August 2020. Following the merger, the Company's primary objective was to increase production and thereby achieve profitability and cashflow generation from operations in Trinidad and Tobago, at least sufficient to fund the fixed overhead costs of Challenger Energy as a whole. The Company believed that achieving this level of cash flow generation from the CEG Trinidad Group would be possible from a combination of drilling new wells, maximising performance of existing wells, and implementing improved operational methods across the various oilfields operated by the CEG Trinidad Group.

In 2021, the Saffron-2 well was drilled in the Bonasse licence, but this well did not achieve expectations of a sustained increase in overall production levels. In 2021 and 2022, the CEG Trinidad Group also sought to initiate various enhanced oil recovery programs on its various fields, supplemented by investment in additional field equipment, as well as management changes. Again, however, these initiatives did not achieve expectation.

Thus, by the end of 2022, the Company had come to the view that materially increased production (and hence income) from the assets of the CEG Trinidad Group would not be possible without considerable additional capital investment, given the age and technical limitations of the fields. As a result, the Company shifted its strategy for Trinidad and Tobago, with a view to the CEG Trinidad Group streamlining operations by divesting non-core assets and achieving cashflow breakeven from core assets retained.

In accordance with this revised strategy, in 2023 and 2024 the Company sold various non-core assets in Trinidad and Tobago, being the South Erin, Cory Moruga, and Bonasse assets, in the process generating cash and reducing liabilities, commitments, and administrative burdens. This also allowed CEG Trinidad Group operations to be fully focused on the remaining core assets - the Goudron, Inniss-Trinity and Icacos fields - with the result being more stable production levels, and significantly reduced costs. However, lower realised oil prices in the period offset efficiency gains, and the need for ongoing ad-hoc capital investment means that the CEG Trinidad Group has continued to generate overall losses, notwithstanding, in general terms, operational cashflow breakeven performance (and which financial performance necessitated a significant write-down of the value of the assets of the CEG Trinidad Group in 2023).

More significantly, despite considerable efforts through 2023 and 2024, the Company has been unable to identify a viable path to achieve scale and profitability for the CEG Trinidad Group, and thus the CEG Trinidad's operations are not generating any surplus cash for Challenger Energy as a whole, and are unlikely to do so in the future.

In parallel, since mid-2020 the Company has established a significant business presence in Uruguay, holding interests in two large offshore exploration blocks of high quality, in what is a rapidly emerging global exploration "hotspot". The Company has enjoyed considerable success in Uruguay in the past several years, including most recently farming out of one of its blocks to Chevron, on attractive terms. As a result, Uruguay has become the core strategic focus for the Company, and is where the Company believes that it will be able to generate significant value for shareholders over the coming 12-24 months period.

Given the above, the Company considers that continued ownership of the CEG Trinidad Group no longer aligns with its strategic objectives. Continued ownership of the CEG Trinidad Group will require significant commitment of management time and resource, when that time and resource could be better applied toward the Company's assets in Uruguay which the Board believes represent greater potential for value creation. Additionally, the generally breakeven status of the CEG Trinidad Group means that the Company is exposed to near-term adverse operational outcomes (for example, adverse movement in oil price) which could necessitate the need to provide operating cash support to CEG Trinidad. Furthermore, the longer-term maintenance of the underlying licences on which the CEG Trinidad Group depends will, in due course, require additional capital investment to meet work program commitments.

By contrast, sale of the CEG Trinidad Group will free up Company resources to focus more fully on activities and opportunities in Uruguay, where the opportunity for near-term value creation is considered to be significantly greater, and on other business development opportunities that may arise. The sale of the CEG Trinidad Group will also realise some cost savings for the Company as a whole, and will facilitate the release of working capital which will bolster the Company’s financial position and which, longer term, the Company believes can be deployed elsewhere with much greater potential for return.

4. Details of CEG Trinidad and the CEG Trinidad Group

CEG Trinidad is a St. Lucia domiciled entity, 100 per cent. owned by the Company. CEG Trinidad is the parent company of the CEG Trinidad Group, which consists of the following entities:

| Company | Country of registration | Proportion held | Nature of business |
|--------------------------------------|--------------------------------|------------------------|--|
| CEG Icacos Trinidad Ltd | Trinidad and Tobago | 100% | This entity has a 100 per cent. interest in and operates the Icacos production field in Trinidad, under a licence from the Trinidad Ministry of Mining and Energy Industries |
| CEG Management Services Trinidad Ltd | Trinidad and Tobago | 100% | This entity is a service company that holds various physical assets used in the operations of the CEG Trinidad Group, and employs various personnel providing services to the CEG Trinidad Group |
| CEG Goudron Trinidad Ltd | Trinidad and Tobago | 100% | This entity has a 100 per cent. interest in and operates the Goudron production field in Trinidad, under an enhanced production sharing contract with Heritage |
| Steeldrum Oil Company Inc | St. Lucia | 100% | A dormant holding company that is part of the CEG Trinidad Group |
| Steeldrum Petroleum Group Ltd | Trinidad and Tobago | 100% | A dormant holding company that is part of the CEG Trinidad Group |
| CEG Inniss-Trinity Trinidad Ltd | Trinidad and Tobago | 100% | This entity has a 100 per cent. interest in and operates the Inniss-Trinity production field in Trinidad, under an enhanced production sharing contract with Heritage |
| CEG Well Services Trinidad Ltd | Trinidad and Tobago | 100% | This entity is a service company that holds various physical assets used in the operations of the CEG Trinidad Group, and employs various personnel providing services to the CEG Trinidad Group |

In aggregate, CEG Trinidad and the various subsidiary entities comprising the CEG Trinidad Group represent the entirety of the Company’s assets, operations and undertakings in Trinidad and Tobago. Thus, in selling CEG Trinidad, the Company will effectively be selling the entirety of its business in Trinidad and Tobago, completely exiting from all operations in that country.

At 30 June 2024 and at 31 December 2024, the combined (unaudited) net assets (excluding intercompany balances) of the CEG Trinidad Group were:

| | (Unaudited) At 31 June 2024 \$ 000's | (Unaudited) At 31 December 2024 \$ 000's |
|---|---|---|
| Assets | | |
| Cash and cash equivalents | 301 | 261 |
| Restricted cash | 318 | 292 |
| Trade and other receivables | 2,356 | 2,486 |
| Inventories | 240 | 148 |
| Tangible assets* | 8,798 | 8,250 |
| Intangible exploration and evaluation assets* | 387 | 374 |
| Abandonment fund | 1,631 | 1,655 |
| Deferred Tax Asset | 4,112 | 3,770 |
| Total assets | 18,143 | 17,236 |
| Liabilities | | |
| Trade and other payables | (5,669) | (5,686) |
| Provisions | (2,509) | (2,474) |
| Deferred tax liability | (4,173) | (3,815) |
| Total liabilities | (12,351) | (11,975) |
| Total net assets | 5,792 | 5,261 |

* Following completion of the Trinidad Disposal there is likely to be an impairment of the carrying values of the CEG Trinidad Group - this adjustment and any related tax effects will be reflected in the year end Audited Financial Statements.

The combined (unaudited) results (excluding intercompany balances) of the CEG Trinidad Group (including all subsidiary entities of CEG Trinidad) for the half year to 30 June 2024 and the full year ended 31 December 2024 were:

| | (Unaudited) Half year to 30 June 2024 \$ 000's | (Unaudited) Full year to 31 December 2024 \$ 000's |
|---|---|---|
| Assets | | |
| Net petroleum revenue | 1,821 | 3,454 |
| Cost of sales | (1,865) | (3,622) |
| Gross loss | (44) | (168) |
| Administration expenses | (858) | (1,674) |
| Operating foreign exchange (losses)/gains | 362 | 566 |
| Operating loss | (540) | (1,276) |
| Finance costs | (59) | (22) |
| Other income | 20 | 73 |
| Loss before taxation | (579) | (1,225) |
| Income taxes | 10 | 25 |
| Net loss | (569) | (1,200) |

5. Details of the Trinidad Disposal

The Company has entered into a share purchase agreement whereby the Company has conditionally agreed to sell its 100 per cent. equity interest in CEG Trinidad.

The purchaser is Caribbean Rex – an entity jointly owned 51 per cent. by T-Rex Resources (a wholly owned subsidiary of POGH), and 49 per cent. by WIEGL, a Trinidadian company active in the domestic oil industry.

The consideration for the Trinidad Disposal represents a total transaction value to the Company of \$6 million, as follows:

- an initial deposit of \$250,000 – already satisfied via the issuance to the Company of approximately 4.4 million POGH Shares;
- \$750,000 payable on completion of the Trinidad Disposal – \$250,000 in cash and \$500,000 via the issuance of POGH Shares (the number of POGH Shares issuable to be determined based on the prevailing exchange rate and market price of POGH Shares at the time of completion of the Trinidad Disposal);
- A deferred unconditional consideration payment of \$750,000 in aggregate, payable in cash, in three instalments of \$250,000, on each of 31 December 2025, 2026 and 2027; and
- the assumption by WIEGL of all liabilities, provisions and potential exposures of CEG Trinidad and the CEG Trinidad Group, which for the purposes of the share purchase agreement were valued at \$4.25 million.

As part of the agreed consideration for the sale of CEG Trinidad, the Company may also receive an additional contingent payment of up to \$2 million. This contingent consideration is calculated as \$2 per barrel of production where production during the period to 31 December 2027 exceeds 750 barrels of oil per day, once the capital costs incurred by Caribbean Rex in increasing production over this threshold is first recovered. The conditional contingent payment is capped at \$2 million.

Given that the CEG Trinidad Group currently contributes 100 per cent. of the Company's present revenue (and notwithstanding that CEG Trinidad Group represents a relatively small portion of the Company's overall balance sheet value, and is loss-making, thus contributing no profit or surplus cashflow to the Company) in accordance with the AIM Rules the Trinidad Disposal constitutes a fundamental change of business, and thus prior approval of Shareholders for the Trinidad Disposal is required. In addition, given that the Trinidad Disposal will result in an indirect change of ownership interests in the underlying Trinidadian enhanced production sharing contracts held by the CEG Trinidad Group, the purchaser also wishes to obtain approval from Heritage as a condition precedent to complete the Trinidad Disposal. Completion of the Trinidad Disposal is thus conditional on both of these approvals being obtained by 30 April 2025 (or such later date as the parties may agree). If the Trinidad Disposal does not complete for failure of the Heritage approval condition, the deposit paid by Caribbean Rex will be forfeited and retained by the Company. If the transaction does not complete because the Resolution is not passed by the Shareholders of the Company, the deposit paid by Caribbean Rex must be refunded (either, as the Company may elect, by the Company transferring the POGH Shares comprising the deposit to such party as Caribbean Rex nominates, or by the Company paying a cash amount of \$250,000 to Caribbean Rex). No other approvals are required, and all parties are confident that both required approvals will be secured within the agreed timeline to enable completion of the Trinidad Disposal.

The Company has provided a limited set of warranties under the share purchase agreement, but in essence the share purchase agreement reflects an "as is" transaction, where the purchaser relies on its own due diligence, and thus post-sale the Company has no further exposure to any benefits, risks, assets or liabilities associated with the CEG Trinidad Group, save for the potential to receive contingent consideration driven by increased production levels post disposal as detailed above. The share purchase agreement also includes customary provisions for the operation of the CEG Trinidad Group by the Company in the period pending completion, as well as an agreed handover period after completion to enable the orderly transition of the CEG Trinidad Group to new ownership. As part of this orderly transition, the CEG Trinidad Group will effect changes to ensure that the use of the name "Challenger Energy" in association with all activities in Trinidad and Tobago ceases.

6. Effects of the Trinidad Disposal

A. Operational Effects

CEG Trinidad is the parent company of the CEG Trinidad Group, which holds all of the Company's assets, operations and undertakings in Trinidad and Tobago. Therefore, in selling CEG Trinidad, the Company will effectively be selling the CEG Trinidad Group, and thus selling the entirety of its business in Trinidad and Tobago.

The principal operational effects of the Trinidad Disposal would be:

- Sale of the CEG Trinidad Group will free up Company resources to focus more fully on activities and opportunities in Uruguay, which is the Company's current strategic focus given that the Company considers the opportunity for near-term value creation in Uruguay to be significantly greater.
- Employees of the CEG Trinidad Group will cease to be employees within the broader Challenger Energy group of companies. This would reduce the Company's overall total workforce from approximately 65 full-time employees to five. Given that all relevant employees work full-time in support of the CEG Trinidad Group and provide no service to the wider operations of the Company, it is not expected that this will have any impact on the Company's ongoing operations, or the Company's ability to conduct effective operations in Uruguay.
- The CEG Trinidad Group operates as a "standalone" business unit, and thus the Trinidad Disposal will not have an effect on any of the Company's non-Trinidadian operations. Indeed, at a corporate level the Company provides a number of support functions to the CEG Trinidad Group (for example, IT, group-wide accounting and audit, coverage under group-wide energy/well control insurance and other ad-hoc support). The Trinidad Disposal will mean that the Company is no longer required to provide these support functions, and will benefit from a reduction in associated costs (which the Company estimates could amount to approximately \$100,000 per annum).

B. Financial Effects

The principal financial effects on the Company of the Trinidad Disposal will be as follows:

- *Loss of revenue:* the CEG Trinidad Group generated approximately \$3.5 million of net revenues (unaudited) in the 12 months to 31 December 2024, which represented 100% of the Company's revenue in that period. The Trinidad Disposal will result in the loss of this revenue. (At the same time, all costs and expenses associated with generating that revenue will also no longer be reflected in the Company's financial statements).
- *Elimination of accounting loss attributable to the CEG Trinidad Group:* for reference, for the 12 months to 31 December 2024, the CEG Trinidad Group made a loss of approximately \$1.2 million (unaudited).
- *Loss on disposal:* Based on the total net assets of the CEG Trinidad Group and the consideration to be received from the Trinidad Disposal, the Company expects that an accounting loss on disposal will arise, indicatively as follows:

| | (Unaudited) \$ 000's |
|---|---------------------------------------|
| Assets | |
| Total net assets (refer to table in paragraph 4 for details) | 5,261 |
| Consideration to be received in cash | 250 |
| Consideration to be received in POGH Shares* | 750 |
| Deferred consideration** | 750 |
| Total consideration received | 1,750 |
| Potential loss on disposal | (3,511) |

* Cash realised on disposal of any POGH Shares may be more or less than \$750,000

** Excludes contingent consideration of up to \$2 million, as detailed in section 5 of this letter. Amounts shown above are undiscounted.

- *Reduction in balance sheet value:* Based on the Company's unaudited balance sheet at 31 December 2024, the impact of the Trinidad Disposal in relation to the Company's balance sheet will be a reduction in total net assets of approximately \$3.5m, or approximately 3 per cent., as follows:

| | (Unaudited) Company \$ 000's | (Unaudited) CEG Trinidad Group disposal \$ 000's | (Unaudited) Proceeds from disposal \$ 000's | (Unaudited) Pro forma balance sheet \$ 000's |
|---|---|---|--|---|
| Assets | | | | |
| Cash and cash equivalents* | 9,733** | (553) | 250*** | 9,430 |
| Trade and other receivables | 3,346 | (2,486) | 1,500*** | 2,360 |
| Inventories | 148 | (148) | - | - |
| Tangible assets | 8,559 | (8,250) | - | 309 |
| Intangible exploration and evaluation assets | 94,766 | (374) | - | 94,392 |
| Abandonment fund | 1,655 | (1,655) | - | - |
| Deferred Tax Asset | 3,770 | (3,770) | - | - |
| Total assets | 121,977 | (17,236) | 1,750 | 106,491 |
| Liabilities | | | | |
| Trade and other payables | (7,392) | 5,686 | - | (1,706) |
| Provisions | (4,805) | 2,474 | - | (2,331) |
| Deferred tax liability | (3,815) | 3,815 | - | - |
| Total liabilities | (16,012) | 11,975 | - | (4,037) |
| Total net assets | 105,965 | (5,261) | 1,750 | 102,454 |

* Includes \$1m of cash held in restricted accounts in support of work program guarantees (total Group pre-disposal, of which \$292K is in respect of the CEG Trinidad Group).

** Cash balance at 31 December 2024 reflects receipt of \$12.5 million from completion of the Chevron farmout, less settlement of fees and expenses arising from the farmout to Chevron, expenditure by the Company on work program activities on its assets in Uruguay in the period since June 2024, and regular corporate overhead.

*** This pro-forma includes the proceeds from the Trinidad Disposal as at completion of the Trinidad Disposal (\$1 million - including \$250K in cash and \$750K in POGH Shares) plus the undiscounted value of the deferred consideration from the Trinidad Disposal (\$750,000 which will be received in three instalments in each of December 2025, 2026 and 2027).

- *Simplification of the Company's balance sheet:* As evident in the above table, the Trinidad Disposal will see the removal from the Company's balance sheet of a number of items specific to active field operations, including inventory, a substantial portion of the Company's overall trade receivables and trade payables, a substantial portion of the Company's property plant and equipment, abandonment fund assets and decommissioning provisions, and all deferred tax assets and deferred tax liabilities.

7. Application of proceeds from the Trinidad Disposal

The cash proceeds from the Trinidad Disposal will be applied towards the Company's general working capital needs. These include costs associated with the ongoing development of the OFF-1 and OFF-3 licences in Uruguay, general corporate overhead, and any new business opportunities which may arise over the course of 2025 and beyond.

In respect of POGH Shares received as part of the consideration for the Trinidad Disposal, the Company intends to liquidate those shares for cash, but in an orderly fashion and at a time of the Company's choosing. POGH Shares are traded on the main market of the London Stock Exchange. The Company has a significant cash surplus, and therefore has no immediate need for the cash proceeds from the sale of any POGH Shares, and thus intends to manage any sale of POGH Shares, and the timing of any such sale, in a manner that maximises the eventual receipt.

8. Extraordinary General Meeting

In order for the Trinidad Disposal to proceed, the Resolution needs to be passed by the Shareholders at an Extraordinary General Meeting and accordingly the Company is now convening an Extraordinary General Meeting to be held at The Engine House, Alexandra Road, Castletown, Isle of Man IM9 1TG for 10.00 a.m. on 27 March 2025 to consider and, if thought fit, pass the Resolution.

The Resolution must be passed either (i) on a show of hands by a simple majority of those Shareholders present in person or by proxy and voting or (ii) on a poll by those Shareholders (present in person or by proxy and voting), holding a simple majority of the Ordinary Shares voted, in each case, at the Extraordinary General Meeting.

The Resolution, if passed, will approve the Trinidad Disposal for the purposes of Rule 15 of the AIM Rules.

The Company specifies that only those members registered on the Company's register of members at the Record Date (or, if the Extraordinary General Meeting is adjourned, at close of trading on the day two days prior to the adjourned meeting) shall be entitled to attend and vote at the Extraordinary General Meeting.

9. Action to be taken

Shareholders will find enclosed with this Circular a Form of Proxy for use at the Extraordinary General Meeting. Whether or not Shareholders intend to be present at the meeting, Shareholders are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon in the envelope provided so that it arrives at the Company's registrars, MUFG Corporate Markets as soon as possible and in any event so as to be received by post or by hand (during normal business hours only) not later than 10.00 a.m. on 25 March 2025. Completion and return of the Form of Proxy will not prevent Shareholders from attending and voting at the meeting should they so wish.

Alternatively, you can submit a proxy vote online via the Investor Centre app or by accessing via a web browser at uk.investorcentre.mpms.mufg.com. To be effective, the proxy vote must be submitted so as to have been received by the Company's registrars no later than 10.00 a.m. on 25 March 2025.

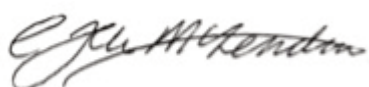
CREST members who wish to appoint a proxy or proxies through the CREST electronic appointment service may do so for the Extraordinary General Meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be transmitted so as to be received by the Company's agent (ID: RA10) by no later than 10.00 a.m. on 25 March 2025.

10. Recommendation

The Directors consider that the Resolution is in the best interests of Shareholders and unanimously recommend that Shareholders vote in favour of the Resolution as they intend to do in respect of their own beneficial holdings of 19,292,672 Ordinary Shares, representing 7.85 per cent. of the existing issued ordinary share capital of the Company.

If you are in any doubt as to any aspect of the proposals referred to in this Circular or as to the action you should take in respect of them, you should seek your own independent advice from your stockbroker, bank manager, solicitor, accountant or other professional adviser duly authorised under the FSMA if you are in the United Kingdom, or another appropriately authorised independent adviser if you are in a territory outside the United Kingdom.

Yours sincerely



Iain McKendrick

Independent Non-Executive Chairman

CHALLENGER ENERGY GROUP PLC

(Incorporated in the Isle of Man under the Companies Acts 1931 to 2004 and with Company Number 123863C)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (Meeting) of the members of Challenger Energy Group PLC (the “Company”) will be held at the Company’s registered office at The Engine House, Alexandra Road, Castletown, Isle of Man IM9 1TG at 10.00 a.m. on Thursday 27 March 2025, for the purpose of considering and, if thought fit, passing the following resolution (the “Resolution”):

Resolution One: *As an ordinary resolution THAT, for the purposes of Rule 15 of the AIM Rules for Companies published by the London Stock Exchange PLC, the sale of the Company’s wholly owned St. Lucia subsidiary, Columbus Energy (St. Lucia) Limited, on the terms and conditions as described in the circular to the Company’s members dated 28 February 2025 of which the notice comprises a part, be and is hereby approved and that the board of Directors of the Company (or a duly constituted committee of the Board) be and is hereby authorised to take such steps as they in their absolute discretion consider necessary or desirable to effect the same, and any matter incidental to the sale, with the resultant effect being the complete disposal by the Company of all of its business, assets, undertakings and operations in Trinidad and Tobago.*

Dated 28 February 2025

BY ORDER OF THE BOARD

Jonathan Gilmore
Company Secretary

Registered office:

The Engine House, Alexandra Street
Castletown, Isle of Man, IM9 1TG

Notes:

- (1) A member entitled to attend and vote at the Extraordinary General Meeting may appoint one or more proxies to attend and (on a poll) vote instead of him. A proxy need not be a member of the Company.
- (2) A Form of Proxy is provided with this Notice of Extraordinary General Meeting. Completion and return of the Form of Proxy will not prevent a member from attending the Extraordinary General Meeting and voting in person.
- (3) To be effective, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be deposited with the Company’s registrars, MUFG Corporate Markets, not less than 48 hours before the time of the holding of the Extraordinary General Meeting or any adjournment thereof.
- (4) In the case of joint holders, the vote of the senior who attends to vote, whether in person or by proxy, will be accepted to the exclusion of votes of the joint holders. For this purpose, seniority is determined by the order in which the names stand in the register of members.
- (5) If you have any questions relating to return of the Form of Proxy, please contact the Company’s registrars via email at shareholderenquiries@cm.mpms.mufg.com or call on 0371 664 0300. If you are outside the United Kingdom, please call +44 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09.00 – 17.30, Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals described in this Circular nor give any financial, legal or tax advice.
- (6) Shareholders can vote electronically via the Investor Centre, a free app for smartphone and tablet provided by MUFG Corporate Markets (the Company’s registrars). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Investor Centre via a web browser at: uk.investorcentre.mpms.mufg.com.



- (7) Every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote), shall on a show of hands have one vote and on a poll every member present in person or by proxy or (being a corporation) by a duly authorised representative shall have one vote for each share of which he is the holder.
- (8) Pursuant to Regulation 22(1) of the Uncertificated Securities Regulations 2005 of the Isle of Man (SD No. 754/05), the Company has specified that only those members registered on the register of members of the Company at close of trading on 25 March 2025 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (9) Where a corporation is to be represented at the Extraordinary General Meeting by a personal representative, such personal representative must, if requested, provide a certified copy of the resolution of its directors or other governing body authorising the appointment of the representative before being permitted to exercise any power on behalf of the corporation, and the Company has determined that for these purposes such copy of the resolution must be deposited at the Company's registered office address not later than 48 hours before the time appointed for the Extraordinary General Meeting.
- (10) If the Chairman of the Extraordinary General Meeting, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure Guidance and Transparency Rules, the Chairman will make the necessary notifications to the Company and the UK Financial Conduct Authority ("FCA"). As a result any member holding 3 per cent. or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority.
- (11) As at 27 February 2025, being the last practicable date prior to the printing of this Notice of Extraordinary General Meeting, the Company's issued share capital consisted of 245,721,322 Ordinary Shares carrying one vote each. Therefore, the total number of voting rights in the Company as at 27 February 2025 is 245,721,322.
- (12) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting (and any adjournment of the Extraordinary General Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (13) In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10.00 a.m. on 25 March 2025. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (14) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system provider(s) are referred, in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.
- (15) Unless otherwise indicated on the Form of Proxy, CREST or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.