

# Challenger Energy Group plc Acquisition an Update Letter to Shareholders

 [sintanaenergy.com/news-release/challenger-energy-group-plc-acquisition-an-update-letter-to-shareholders](https://sintanaenergy.com/news-release/challenger-energy-group-plc-acquisition-an-update-letter-to-shareholders)

November 3, 2025



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Dear Fellow Shareholders,

As provided for in regulatory news and press releases by each of Sintana Energy, Inc. (“**Sintana**”) and Challenger Energy Group plc (“**Challenger**”) earlier today, we have reached another milestone associated with our proposed all-share acquisition of Challenger. A Scheme Document in relation to a Scheme of Arrangement which details the elements and substance of the acquisition was published and sent to Challenger shareholders today. It is available at <https://sintanaenergy.com/investor/business-combination-disclosure/>.

Since the announcement on October 9<sup>th</sup>, the prescriptions associated with takeover laws in the United Kingdom have limited our ability to communicate with you beyond what is published in relevant regulatory announcements and documentation associated with the transaction. We understand that the lack of direct and proactive communications, together with a sense of our absence, have caused concerns and frustrations for many of you.

This letter is intended to provide you with some insights and clarity, to acknowledge your frustrations and concerns, and to be the first step in more communications going forward.

## ***Transaction Rationale***

At the highest level, the acquisition is underpinned by three key drivers – diversification, exposure to another emerging, high-impact geography, and the opportunity to expand one of our most-important relationships.

On diversification – together we have been fortunate enough to experience in Namibia the confluence of right time, right place and right exposure. This is rare particularly when it comes to deep-water, frontier exploration. Our experience there has provided a level of progress and promise that has been truly remarkable. We have exposure to a best-in-class portfolio and commercial partnerships in-country that are strong and vibrant.

However, as in any other environment there remain many risks and uncertainties, particularly at this early stage of development. Diversification becomes more important with progress particularly when you are otherwise singularly exposed to one environment.

On Uruguay – in early 2022, none of Uruguay’s seven offshore licenses had been awarded. By the end of Q2 2024 they had all been. Today participants in those licenses include Shell, Apache, YPF and Chevron, together with Challenger who has interests in two of the seven offshore licenses. This licensing activity subsequent to the discoveries at Graff and Venus, and contemporaneous to the balance of progress in the Orange Basin in Namibia speaks to the potential of the South Atlantic conjugate margin on the South American side. The acquisition of Challenger brings us exposure to what has the geologic and commercial potential to deliver results similar to those we have had in Namibia. It is early, it is frontier – however the outcomes could be big and the activity is increasing. These were the circumstances that brought us to Namibia.

On an expanded partnership with Chevron – we have been fortunate in participating in Chevron’s return to Namibia via its entry into PEL 90 in October 2022. Our in-country platform with them has since expanded through their entry into PEL 82 – evidence not only of the quality of our portfolio but of the vitality of that relationship. The acquisition of Challenger expands the aperture of our partnership across the Atlantic to Uruguay on the other side of the conjugate margin where Chevron also operates and partially carries Challenger’s 40% retained interest on OFF-1. This brings to the combined entity an expanded horizon to develop and enhance our partnership and relationship with Chevron as they look to increase their activities in global exploration including in the South Atlantic conjugate margin.

Having an opportunity in one transaction to diversify, to preserve carried exposure to the upsides of high-impact frontier exploration, and to also deepen an existing partnership with a super major is truly unique.

The timing has principally been driven by a confluence of factors including each company’s ability to navigate and complete the complex and intensive efforts associated with the acquisition of an AIM-listed company in the United Kingdom and the concurrent process to list for Sintana on the AIM which is scheduled to be completed by the end of Q4 2025

## **Management of Conflicts**

Given the obvious potential concerns around conflicts of interest the board of Sintana took a pro-active and rigorous approach to ensuring full independence in the assessment and adjudication of the acquisition that was additionally guided by oversight and participation from both UK and Canadian external counsel.

A special committee was formed immediately upon it becoming clear that a conversation regarding a potential combination was possible. This committee, comprised of disinterested directors, was chaired by Keith, our Executive Chairman. Robert was specifically excluded from deliberations of the special committee and did not participate in

negotiations of material terms. Pareto Securities AS was hired to provide advice to the special committee on the proposed terms of the acquisition and provided a fairness opinion in connection therewith. The proposed acquisition was recommended to the board and it received unanimous approval from the voting directors which did not include Robert who was recused from voting due to various conflicts. This process was again guided and included full participation of external UK and Canadian counsel to Sintana.

### **Interests of Charlestown and Robert Bose**

Charlestown currently holds approximately 21MM shares of Sintana representing approximately 5.7% of the outstanding share count today. Additionally, Robert personally holds another approximately 1.5MM shares and options/restricted share units amounting to approximately 5MM shares at exercise prices ranging from C\$0.11 and C\$1.23. The total dollar value of these positions is in the area of C\$15MM based on the closing price of Sintana's common shares on October 31, 2025.

Further as part of the proposed application for admission to trading of Sintana's common shares on the AIM, Charlestown has committed a US\$4MM working capital facility that the combined company can use to support any liquidity requirements. There is no equity component to this facility. The facility, together with the value of the equity positions, results in total exposure of over C\$20MM

Charlestown also currently holds 9MM shares of Challenger with a value of approximately US\$1.9MM and approximately 2MM warrants in Challenger with an exercise price of GBP0.10. Robert additionally holds approximately 1.5MM options struck at exercise prices ranging from GBP0.08 to GBP0.24. The total implied value of these positions is approximately US\$2.2MM, roughly a tenth of the size of Charlestown's exposure to Sintana.

Save as outlined here, neither Charlestown nor Robert hold any other securities or interests in any other securities positions in either Sintana or Challenger.

### **Absence of a Shareholder Vote by Sintana Shareholders**

Canadian securities regulatory rules and requirements, including those associated with Multilateral Instrument 61-101, speak to the circumstances under which a shareholder vote is required. A detailed analysis of the transaction in light of the prescriptions of MI 61-101 was conducted by counsel and submitted to the relevant Canadian securities regulators. We continue to progress through the Canadian review process.

While we understand and have heard clearly your concerns and frustrations, please rest assured that the prospect of these were identified early and the transaction process was developed to fully adhere to all relevant regulatory requirements but more substantially to ensure that all elements were executed to fully protect the process and our shareholders. We remain steadfast in our belief in the merits and benefits of this combination to Sintana, and by extension to our fellow shareholders.

We hope these insights into the background, context and management of the acquisition provide some assistance in addressing the concerns and issues raised. Prospectively, we are at your disposal to answer further questions or address any concerns – please do remit any you have to our communications team (details below) or via our website investor links. We will follow-up and find the best forum to ensure we are able to effectively communicate with you and ensure we remain onside the relevant securities regulatory requirements.

On behalf of **Sintana Energy Inc.**,

**“Keith Spickelmier”**

Executive Chairman

**“Robert Bose”**

Chief Executive Officer

The Company is engaged in petroleum and natural gas exploration and development activities in six petroleum exploration licenses in Namibia, including 5 offshore located variously in the Orange and Walvis Basins, as well as in Colombia’s Magdalena Basin. Additionally, upon completion of a previously announced transaction, Sintana will have exposure to a license in Angola’s emerging onshore Kwanza Basin. Sintana’s strategy is to acquire and manage a portfolio of exposures to superior quality assets with substantial value potential.

For additional information or to sign-up to receive periodic updates about Sintana’s projects, and corporate activities, please visit the Company’s website at [www.sintanaenergy.com](http://www.sintanaenergy.com)

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***Disclosure requirements of the Code***

*Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure*

*must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they shall be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

## **Forward-Looking Statements**

*Certain information in this release are forward-looking statements. Forward-looking statements consist of statements that are not purely historical, including statements regarding beliefs, plans, expectations or intentions for the future, and include, but not limited to, statements with respect to the prospective nature of the Company's and*

*Challenger's property interests, future plans and prospectivity, the receipt of all applicable shareholder, Court, regulatory and third party approvals, the proposed admission of the common shares of Sintana to be listed on AIM and the anticipated timing thereof, and the completion of the acquisition and proposed loan by Charlestown to the resulting entity on the terms presently proposed or at all. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including, but not limited to risks relating to the receipt of all applicable shareholder, Court, regulatory and/or third party approvals, the satisfaction or waiver of all conditions to the completion of the acquisition and/or admission, results of exploration activities, the ability to source joint venture partners and fund exploration, permitting and government approvals, and other risks identified in the Company's public disclosure documents from time to time. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company assumes no obligation to update such information, except as may be required by law.*

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.