

24 January 2024

Baron Oil Plc

("Baron", or the "Company")

Farm-Up Signed with Timor Gap

Further to the Company's announcement on 18 December 2023, Baron Oil Plc (AIM: BOIL) is pleased to announce that the farm-up agreements ("Farm-Up Agreements") between Baron's wholly owned subsidiary SundaGas Banda Unipessoal, Lda. ("SundaGas") and TIMOR GAP Chuditch Unipessoal Lda ("TIMOR GAP") in relation to the TL-SO-19-16 Production Sharing Contract (the "Chuditch PSC" or the "PSC"), offshore Democratic Republic of Timor-Leste, have been signed.

The Farm-Up Agreements are now subject to a single condition precedent ("Condition Precedent"), that of approval of the Farm-Up by Timor-Leste's National Petroleum Authority (Autoridade Nacional do Petróleo or "ANP").

The Baron Directors consider that the Farm-Up by TIMOR GAP has a value to Baron of approximately US\$8.5 million made up of a reimbursement for back costs of c.US\$1 million and in the offset of future spend which in 2024 is estimated to be around US\$7.5 million. The cash payments from TIMOR GAP relating to back costs will be finalised upon Completion and will be paid to Baron within 30 days of the Completion date.

The operational plan remains to drill and flow test the Chuditch-2 appraisal well in late 2024, subject to rig and drilling services availability and the completion of drill financing.

Terms of the Farm-Up

On completion of the Farm-Up ("Completion"), SundaGas, will retain operatorship and hold a 60% working interest in the Chuditch PSC, while TIMOR GAP will have a 40% interest, made up of a new paying 15% interest, plus its original 25% interest which is carried to first gas. From Completion, TIMOR GAP will be responsible for paying 20% of all costs, including the drilling of the planned Chuditch-2 appraisal well.

The transfer of the 15% working interest from SundaGas to TIMOR GAP will not occur until the sole Condition Precedent has been fulfilled.

The Farm-Up Agreements are governed by the laws of Timor-Leste.

If the Condition Precedent has not been satisfied or waived before 00:00 hours in Dili on 31 March 2024 ("Long Stop Date"), then, the Farm-Up Agreements may be terminated by either party at any time prior to the satisfaction or waiver of the Condition Precedent.

Andy Yeo, Chief Executive of Baron Oil Plc, commented:

"We're delighted to have now signed the documents to increase TIMOR GAP's participation in the Chuditch PSC through the assignment of a paying interest. The expedited preparation and execution of these agreements demonstrates our excellent working relationship, and we thank TIMOR GAP for their engagement in our overall combined efforts to progress the Chuditch PSC."

For further information, please contact:

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UK player and Timor Gap seal the deal for partial stake in gas field off Timor-Leste

By Melisa Cavcic in Offshore Energy 26 Jan 2024

SundaGas Banda Unipessoal, a wholly owned subsidiary of the UK-based and AIM-listed Baron Oil, has inked an agreement for the transfer of a partial stake in a gas field offshore Timor-Leste to Timor Gap Chuditch Unipessoal, its existing joint venture partner and a wholly owned subsidiary of Timor Gap, the Timor-Leste national oil and gas player.

The signing of the agreement comes a month after the two players entered into [a memorandum of understanding \(MoU\)](#) concerning the assignment of an additional 15% working interest to Timor Gap in the **Chuditch** production sharing contract (PSC), also known as TL-SO-19-16 PSC and Chuditch PSC, offshore Timor-Leste. The completion of this deal is subject to the receipt of approval from Timor-Leste's National Petroleum Authority (ANP).

Andy Yeo, Chief Executive of Baron Oil Plc, commented: *"We're delighted to have now signed the documents to increase Timor Gap's participation in the Chuditch PSC through the assignment of a paying interest. The expedited preparation and execution of these agreements demonstrates our excellent working relationship, and we thank Timor Gap for their engagement in our overall combined efforts to progress the Chuditch PSC."*

Upon completion, SundaGas will retain operatorship and hold a 60% working interest in the Chuditch PSC, while Timor Gap will have a 40% interest, made up of a new paying 15% interest, plus its original 25% interest which is carried to first gas. The company explains that Timor Gap will be responsible for paying 20% of all costs, including the drilling of the planned Chuditch-2 appraisal well, following the transfer of the 15% working interest.

According to Baron directors, the agreement with Timor Gap has a value of approximately \$8.5 million, made up of reimbursement for back costs of around \$1 million and the offset of future spend, which is estimated to be around \$7.5 million in 2024. Timor Gap's cash payments related to back costs are expected to be finalized upon completion and paid to Baron within 30 days of the completion date.

The AIM-listed player confirms that its operational plan remains to [drill and flow test](#) the Chuditch-2 appraisal well in late 2024, subject to rig and drilling services availability and the completion of drill financing. The TL-SO-19-16 license is situated in the south of the former joint petroleum development area with Australia which has transitioned to Timor-Leste exclusive jurisdiction following a [maritime border treaty](#) in August 2019.

Located approximately 185 km south of Timor-Leste, 100 km east of the producing Bayu-Undan field, and 50 km south of the Greater Sunrise potential development, the Chuditch PSC covers an area of approximately 3,571 km², in water depths of 50-100 m, and contains the Chuditch-1 gas discovery drilled by Shell in 1998.

1 February 2024

Baron Oil Plc

("Baron", or the "Company")

Farm-Up with TIMOR GAP becomes Unconditional

Further to the Company's announcement on 24 January 2024, Baron Oil Plc (AIM: BOIL) is pleased to confirm that, following approval of the Farm-Up by TimorLeste's National Petroleum Authority (Autoridade Nacional do Petróleo or "ANP"), the Condition Precedent has been satisfied.

Accordingly, the Farm-Up Agreement between Baron's wholly owned subsidiary SundaGas Banda Unipessoal, Lda. ("SundaGas") and TIMOR GAP Chuditch Unipessoal Lda ("TIMOR GAP") in relation to the TL-SO-19-16 Production Sharing Contract (the "Chuditch PSC" or the "PSC"), offshore Democratic Republic of TimorLeste, has now become unconditional.

Completion of the Farm-Up will occur in due course.

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Baron Oil Plc

("Baron", or the "Company")

Completion of Farm-Up with TIMOR GAP

Further to the Company's announcements of 24 January 2024 and 1 February 2024, Baron Oil Plc (AIM: BOIL) is pleased to confirm that the Farm-Up Agreement between Baron's wholly owned subsidiary SundaGas Banda Unipessoal, Lda. ("SundaGas") and TIMOR GAP Chuditch Unipessoal Lda ("TIMOR GAP") in relation to the TL-SO-19-16 Production Sharing Contract (the "Chuditch PSC" or the "PSC"), offshore Democratic Republic of Timor-Leste, has completed.

As part of the Farm-Up arrangements, TIMOR GAP will make a cash payment to SundaGas of c.US\$1 million to cover back costs within 30 days.

SundaGas retains operatorship of the Chuditch PSC and holds a 60% working interest. TIMOR GAP has a 40% interest, made up of a working interest of 15%, plus its original 25% interest which is carried to first gas. Henceforth, TIMOR GAP will be responsible for paying 20% of all costs in relation to the PSC, including the drilling of the planned Chuditch-2 appraisal well.

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