



SUNNY HILL
E N E R G Y

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UK

Company Announcement

13 March 2020

Sunny Hill Energy Limited

Up to USD290,000,000 Secured and Guaranteed Variable Rate Junior Notes due 29 March 2028 (CSX ticker: PCIJRN01) (the “Junior Notes”) Amendments to Conditions of Junior Notes

Sunny Hill Energy Limited (the “Issuer”), the privately-owned UK-headquartered oil & gas company with operations in North Africa, announces that as of 12 March 2020 it has agreed with the current holders of its Junior Notes a number of changes to the conditions of the Junior Notes and to the security package and guarantees granted in favour of the Junior Noteholders. These changes have been made in anticipation of the introduction of senior debt expected to be arranged to assist in funding the development of the Issuer’s Ain Tsila gas-condensate development project in Algeria (the “Senior Debt”), to which the Junior Notes will be subordinated, and to reflect the continuing simplification of the Issuer’s group corporate structure. The changes include:

- (i) Interest due on the Interest Payment Date of 29 March 2020 and subsequently can be settled (at the option of the Issuer) by the issue of "payment in kind" notes up to an unlimited amount (“PIK Notes”) in lieu of cash interest payments (in full or in part);
- (ii) An application has been made for the PIK Notes to be admitted to the official list of the Cayman Islands Stock Exchange if and when issued. The PIK Notes are to form a single series with the Junior Notes and shall be deemed to be constituted on the same terms as the Junior Notes;
- (iii) The maturity date of the Junior Notes has been extended to 29 March 2028;
- (iv) From 29 March 2021 until the maturity date, the interest rate on the Junior Notes will be:
 - 9.7% per annum when the outstanding Senior Debt is greater than or equal to USD 200,000,000;
 - 9.2% per annum when the outstanding Senior Debt is greater than or equal to USD 100,000,000 and less than USD 200,000,000;
 - 8.7% per annum when any outstanding Senior Debt is less than USD 100,000,000; and
 - 8.2% per annum otherwise (in each case, calculated on daily basis);
- (v) The following companies are to be removed as guarantors of the Issuer’s obligations of the Junior Notes, and pledges of their shares in favour of Ploutos Agency LLC as Security Agent on behalf of the Junior Note holders are to be terminated:
 - Petroceltic Investments Limited,

- Petroceltic International Petroleum Limited,
- Petroceltic Company of Egypt,
- Petroceltic El Mansoura Company,
- Petroceltic Odyssey El Mansoura Limited,
- Petroceltic South East El Mansoura Company,
- Petroceltic Odyssey Quantara Limited, and
- Petroceltic Qantara Company;

(vi) Security assignments of certain intercompany loans in the Issuer's group are be terminated where these are considered as having limited value to the Junior Noteholders.

For further information in relation to this announcement please contact:

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