



SUNNY HILL
E N E R G Y

Sunny Hill Energy Limited
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UK

Company Announcement

14 April 2021

Sunny Hill Energy Limited
Secured and Guaranteed Variable Rate Junior Notes due 29 March 2028
(CSX ticker: PCIJRN01) (the “Junior Notes”)
Termination of Production Sharing Contract

Sunny Hill Energy Limited (“SHEL”), the privately-owned UK-headquartered oil & gas company with operations in Algeria, announces that its wholly-owned subsidiary Petroceltic Ain Tsila Limited (“PATL”) has received a notice dated 12 April 2021 from Sonatrach, the Algerian state oil and gas company, terminating the Isarene Production Sharing Contract (the “PSC”) in which PATL has a 38.25% interest (the “Termination Notice”). The PSC covers the Ain Tsila gas/condensate development project in southern Algeria (the “Project”).

As its basis for termination, Sonatrach alleges certain breaches of the PSC which SHEL completely rejects. Having taken legal advice, SHEL intends to take all necessary steps to defend its position robustly, which will include using the dispute resolution provisions contained in the PSC. SHEL will seek compensation for the expropriation of its interest in the Project, which it values at well over \$1 billion.

For further information in relation to this announcement please contact:

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