

## RNS Announcement

14 February 2024

AIM: SYN

### Finalisation of Cambay Field Farm Out and Joint Venture

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Further to its announcement of 12 February 2024, Synergia Energy Limited ("**Synergia**" or the "**Company**") is pleased to announce the successful conclusion of negotiations with Selan Exploration Technology Limited ("**Selan**") and execution of a farm-out agreement regarding the Company's Cambay Field Production Sharing Contract ("**Cambay PSC**").

#### Highlights

- The Company has agreed to farm out 50% of the 100% interest held by the Synergia Group in the Cambay PSC to Selan
- Selan, is an Indian oil and gas operator listed on the Bombay Stock Exchange and the National Stock Exchange of India. Selan has currently entered into a scheme of amalgamation with Antelopus Energy Private Limited, another highly respected Indian oil and gas operator, which is currently awaiting regulatory approvals
- Synergia and Selan will be joint operators of the Cambay PSC with Selan to be appointed as Lead Joint Operator
- Both Synergia and Selan are focussed on developing the Cambay PSC Eocene gas and gas condensate reservoir which contains independently certified 2P gas reserves of 206 BCF (as at 1 June 2022)
- The joint venture unlocks the path to a full field development of the Cambay PSC with a sophisticated and experienced operator-partner
- The farm-out and associated joint operating agreement are conditional upon customary consents from the Government of India ("**Gol**") for the transfer of the 50% interest to Selan and Selan assuming a Lead Joint Operator role ("**Gol Approval**").
- Synergia and Selan have agreed the form of joint operating agreement for the Cambay PSC and will enter into the joint operating agreement upon receipt of Gol Approval

#### Summary of the transaction

- In exchange for the 50% interest, Synergia will be carried by Selan through an agreed US\$20 million work programme ("**WP**") comprising 3 new wells focussed on the Eocene reservoir and 3 well work-overs
- The WP is to be completed within 18 months of the later of Gol approval of the WP or the award of contracts for the WP, extendable by a further six months in certain circumstances
- Synergia will receive a cash payment of US\$2.5 million immediately following Gol Approval. The Company proposes to apply the proceeds of this cash payment towards working capital purposes.
- Synergia will retain a 50% interest in the Cambay PSC and a 50% share of the future production and revenues.
- Synergia will be entitled to bonuses of up to US\$ 9 million, linked to future cumulative gas sales thresholds being achieved as follows:
  - US\$0.5 million, if cumulative gross gas sales from the Cambay PSC exceeds 5 Bcf;
  - US\$1.0 million, if cumulative gross gas sales from the Cambay PSC exceeds 10 Bcf;
  - US\$1.5 million, if cumulative gross gas sales from the Cambay PSC exceeds 15 Bcf;
  - US\$2 million, if cumulative gross gas sales from the Cambay PSC exceeds 35 Bcf; and
  - US\$4 million, if cumulative gross gas sales from the Cambay PSC exceeds 70 Bcf.
- Selan has the option to participate in the Cambay CCS scheme on terms to be agreed

- The farm-out agreement contains warranties given by the Company to Selan in relation to, amongst other things, title to the Cambay PSC, as well as certain limited indemnities. The agreement is governed by Indian law.

### **AIM Rule 12 Schedule Four Disclosure**

As at 30 June 2023, Synergia recorded its interest in the Cambay PSC at a book value of c. A\$17.6 million. For the year ended 30 June 2023, the Company recorded c. A\$1.3m in revenue from the Cambay PSC, and a loss from operations, including exploration expenditure, from the asset of c. A\$1.9m. All figures reported on a 100% interest basis.

### **Roland Wessel, CEO of Synergia Energy Limited, commented**

“The farm out and joint venture with Selan marks a significant event for the Company insofar as it will facilitate the path to a full-field development of the substantial Cambay field reserves. Selan is a high quality operator whose experienced management team have an intimate knowledge of the Cambay Basin and Indian oil and gas operations. We look forward to a collaborative and dynamic partnership with Selan who share the Company’s values regarding providing shareholder returns through production growth and operational and financial efficiency”.

*The information contained within this announcement is deemed by the Company to contain inside information as stipulated under the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR").*

**For and on behalf of Synergia Energy Limited**



**Roland Wessel**  
**CEO**

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