

## **Puma Energy Announces Consent Solicitation Relating to its Outstanding 2026 Notes**

May 25, 2023 – Puma International Financing S.A. (“**Issuer**”) today announced that it will solicit consents (the “**Solicitation**”) from holders of its US\$750,000,000 5.00% U.S. dollar-denominated Senior Notes due 2026 (the “**2026 Notes**”) to make certain amendments (the “**Proposed Amendments**”) to the provisions of the indenture dated January 24, 2018 governing the 2026 Notes (the “**Indenture**”).

The consent solicitation is being made solely on the terms and subject to the conditions set forth in the Issuer’s Consent Solicitation Statement, dated as of May 25, 2023 (the “**Consent Solicitation Statement**”). Copies of the Consent Solicitation Statement and other related documents may be obtained from Morrow Sodali Limited, at +852 2319 4130 (in Hong Kong), +44 20 4513 6933 (in London) and +1 203 609 4910 (in Stamford) and also on the consent website: <https://projects.morrowsodali.com/pumaenergy>.

### **Purpose of the Solicitation**

#### *Background to the Solicitation*

On March 14, 2022, Puma Energy Holdings Pte. Ltd. (the “**Company**”), announced that it had agreed to sell a significant part of the Puma Energy group’s (the “**Group**”) infrastructure and storage business to the Impala Terminals Group (the “**Infrastructure and Storage Transaction**”). The main completion of the Infrastructure and Storage Transaction, which represents a key milestone in the Group’s strategic realignment, was subsequently announced on October 31, 2022. This main completion resulted in the disposition of 19 of the Group’s infrastructure and storage assets in 10 countries (including its UK operations) for US\$894 million of gross sales proceeds (and approximately US\$725 million of net cash proceeds after taking into account transaction costs and the settlement, as part of divestment closing mechanics, of a loan related to the deconsolidation of the UK operations that were sold). The Group remains a long-term customer of the infrastructure and storage business sold and retains a network of smaller terminals and storage facilities that directly support its downstream business.

The Group has already applied a significant portion of the net proceeds from the main completion of the Infrastructure and Storage Transaction towards deleveraging, including towards the repayment in full of the Delta Lloyd Facility and towards reductions in both its senior bank debt and operating company debt. These steps represent a continuation of the Group’s focus in recent years on rationalizing its balance sheet, and in large part contributed to a US\$385 million reduction in the Group’s gross debt in the most recent fiscal year, from US\$1,946 million as at December 31, 2021 to US\$1,561 million as at December 31, 2022. At present, there are approximately US\$410 million of net proceeds from the main completion of the Infrastructure and Storage Transaction that remain to be deployed towards uses permitted under the Indenture’s “*Asset Sale*” covenant, which net proceeds are presently being held in short-term deposits on which interest received roughly matches the Group’s actual cost of debt. In addition, the Company currently expects that certain infrastructure and storage assets in El Salvador (but not presently in other jurisdictions) will also be sold as part of a subsequent completion of the Infrastructure and Storage Transaction in the second quarter of 2023 for gross sale proceeds of approximately US\$21.0 million, subject to a number of material commercial and regulatory approvals.

#### *The Intended Deleveraging Transaction*

The Company’s preference would be to deploy at least US\$410 million of the net proceeds from the Infrastructure and Storage Transaction (and potentially more if the net proceeds from any sale of infrastructure and storage assets in El Salvador as part of a subsequent completion are available at the relevant time), together with (to the extent required) additional funding under the Group’s other available liquidity resources towards repayment, repurchase, prepayment and/or redemption in full of

amounts outstanding under the Issuer's earlier-maturing 5.125% US\$600 million senior notes due 2024 (the "**2024 Notes**") – and to do so by no later than December 31, 2023 (the "**Intended Deleveraging Transaction**"). To satisfy the pro rata repayment requirement under the terms thereof, the Intended Deleveraging Transaction is also expected to result in a portion of the net proceeds from the Infrastructure and Storage Transaction being applied towards repayment, repurchase, prepayment and/or redemption of the Issuer's €200 million 2.650% Euro-denominated Amortizing Senior Notes due 2024 originally issued on October 22, 2014 (the "**2024 Euro PP Notes**"), although the Company's current expectation is that the repayment of the 2024 Euro PP Notes would only be partial, and that a portion of the 2024 Euro PP Notes would continue to remain outstanding and be repaid over time in accordance with the 2024 Euro PP Notes' amortization schedule until their final maturity in May 2024. As of the date hereof, the aggregate principal amount outstanding under the 2024 Notes was US\$530,972,000.00, while the aggregate principal amount outstanding under the 2024 Euro PP Notes was €50,000,000.06 but is expected to reduce to €33,333,333.40 on July 31, 2023 through the next scheduled amortization payment under the terms thereof. The Company believes that the Intended Deleveraging Transaction would enhance its credit profile and be both in its and all of its creditors' interests, as it believes this potentially may: result in a significantly de-levered group with an attractive capital structure (with limited debt maturing through 2025); avoid the potentially meaningful reduction in liquidity in the 2026 Notes that might result from a pro rata offer across all the group's outstanding bonds, which (as discussed below) is the only presently available option under the Indenture for the Group to repay bond debt using asset sale proceeds; facilitate the refinancing in 2024 of the Group's syndicated credit facilities as the 2024 Notes would then be repaid in full (avoiding tenor subordination of credit facility lenders to the October 2024 maturity of the 2024 Notes); and have a positive potential impact in credit rating agencies' assessments of the Group's indebtedness.

#### *Purpose of the Proposed Amendments*

The purpose of the Proposed Amendments is to facilitate the Intended Deleveraging Transaction. If the Proposed Amendments become operative, the Company and/or its applicable Restricted Subsidiaries (as defined in the Indenture) will be permitted to apply all or part of the aggregate net proceeds from the Infrastructure and Storage Transaction (including potentially, if completed by the relevant time, the net proceeds from the sale of any infrastructure and storage assets in El Salvador as part of a subsequent completion of the Infrastructure and Storage Transaction) towards the repayment, repurchase, prepayment or redemption of the 2024 Notes (and, to the extent required under applicable pro rata requirements in the indenture governing the 2024 Euro PP Notes, the 2024 Euro PP Notes) without any requirement to make a "*Notes Offer*" or an "*Asset Sale Offer*" under the terms of the Indenture governing the 2026 Notes or towards any other repayment, repurchase, prepayment or redemption of the 2026 Notes. This would, however, be subject to the conditions that: (1) at least US\$410 million of the net proceeds from the Infrastructure and Storage Transaction are applied towards the making of a tender offer to the holders of the 2024 Notes (and, to the extent required under applicable pro rata requirements in the indenture governing the 2024 Euro PP Notes, the 2024 Euro PP Notes) pursuant to provisions in the indentures governing such notes similar to those applicable to a "*Notes Offer*" or an "*Asset Sale Offer*" under this Indenture at a purchase price equal to 100% of the principal amount thereof (plus, in each case, accrued and unpaid interest and additional amounts, if any) and with a settlement date no later than December 31, 2023 (the "**Permitted Tender Offer**"), (2) any 2024 Notes that remain outstanding after the consummation of the Permitted Tender Offer are, subject to the non-occurrence of certain force majeure and similar events, also repaid, repurchased, prepaid and/or redeemed in full by December 31, 2023. The result of these conditions is to effectively ensure that, if the Proposed Amendments become operative and the Company chooses to access the flexibility provided by the Proposed Amendments to reduce debt under the 2024 Notes (and, to the extent required under applicable pro rata requirements in the indenture governing the 2024 Euro PP Notes, the 2024 Euro PP Notes) on a non-pro rata basis with the 2026 Notes, it will, by December 31, 2023, have reduced its bond debt by at least US\$410 million (assuming full take-up in the Permitted Tender Offer) and, subject to the non-occurrence of certain force majeure and similar events, also have repaid, repurchased, prepaid and/or redeemed in full any 2024 Notes that remain outstanding after the consummation of the Permitted

Tender Offer. Further, although no final decision has been made, the Company currently expects that the Permitted Tender Offer could be launched as early as late August.

#### *Alternatives to the Proposed Amendments and the Intended Deleveraging Transaction*

The Company believes that the Intended Deleveraging Transactions would provide the best result for the Group's relevant stakeholders taken as a whole. If the Proposed Amendments are not approved, the Company's preference to deploy a meaningful portion of the net proceeds from the Infrastructure and Storage Transaction towards bond debt reduction may be challenging to achieve, since the terms of the Group's outstanding bonds effectively require that application of the net proceeds of an asset sale (or a portion thereof) towards the repayment, repurchase, prepayment or redemption of outstanding bonds occurs through an offer to repurchase extended to all such series of bonds on a pro rata basis. The Company believes that a pro rata offer of this sort is undesirable, both for the Group and for its various creditors, as it would result in a capital structure with a suboptimal profile of forthcoming debt maturities and also potentially meaningfully reduce liquidity for holders of all of its outstanding bonds (including holders of the 2026 Notes). As such, in the event that the Proposed Amendments are not adopted and the Intended Deleveraging Transaction is accordingly not feasible, the Company currently expects, although no final decisions have been made, that the net proceeds from the Infrastructure and Storage Transaction available for bond debt reduction are likely to decrease materially. Although the amount of any such decrease is difficult to predict with certainty, the Company believes that in one hypothetical scenario, based solely on the Group's existing plans to deploy approximately US\$10 million towards mergers and acquisitions transactions and US\$150 million to scheduled capital expenditure through October 2023, that the US\$410 million of net proceeds referred to above could reduce to approximately US\$250 million, while in scenarios involving still further capital expenditures and additional, more opportunistic, mergers and acquisitions transactions (whether external or related-party), the level could potentially even reduce to zero.

#### **Certain Additional Details Concerning the Solicitation**

The consent solicitation will expire at 4:00 pm London time on June 9, 2023 (the "**Expiration Time**"). The Issuer may, in its sole discretion, terminate, extend or amend any consent solicitation at any time as described in the Consent Solicitation Statement.

The adoption of the Proposed Amendments with respect to the 2026 Notes requires the consents of the holders of a majority in aggregate principal amount of the 2026 Notes outstanding under the Indenture (the "**Requisite Consents**"). A consent may be validly revoked by a holder at any time prior to, but not on or after, the Effective Time (as defined below). The Consent Solicitation will automatically terminate and will not be effective if the Required Consents are not obtained on or prior to the Expiration Time.

Promptly following receipt of the Requisite Consents on or prior to the Expiration Time (as defined below), a supplemental indenture to the Indenture (the "**Supplemental Indenture**") will be executed (such time, the "**Effective Time**"). Although the Supplemental Indenture will become effective upon its execution and delivery, the Proposed Amendments will only become operative upon the Consent Payment (as defined below) being made on the Operative Date (as defined below) and the Proposed Amendments shall thereafter bind, or inure to the benefit of, all holders of the 2026 Notes, including those that did not deliver valid consents

Upon the terms and subject to the conditions set forth in the Consent Solicitation Statement, the Issuer will make a payment equivalent to US\$16.00 for each US\$1,000 of the principal amount of the 2026 Notes (the "**Consent Payments**"), to the holders of the 2026 Notes who have validly delivered, and not validly revoked, a consent received by the Information and Tabulation Agent prior to the Expiration Time. The Issuer will pay each holder entitled thereto only one single Consent Payment. It is expected that any Consent Payment due will be paid promptly after the Expiration Time, or as soon as practicable thereafter (with the date the Consent Payment is made, the "**Operative Date**"). The Operative Date is currently expected to be on or about June 16, 2023. The Issuer's obligation to make any Consent

Payment is contingent upon receipt of the Requisite Consents and other conditions described in the Consent Solicitation Statement. The Consent Payment will not be made if the Requisite Consents are not received, if the Solicitation is terminated or if the Supplemental Indenture does not otherwise become operative for any reason.

Holders of the 2026 Notes are urged to review the consent solicitation documents for the detailed terms of the consent solicitation and the procedures for consenting to the Proposed Amendments. Any persons with questions regarding the consent solicitation should contact the Solicitation Agents, J.P. Morgan Securities plc at: [em\\_europe\\_lm@jpmorgan.com](mailto:em_europe_lm@jpmorgan.com) and/or Société Générale, at: +44 +33 1 42 13 32 40 or [liability.management@sgcib.com](mailto:liability.management@sgcib.com).

This announcement is for information purposes only and is neither an offer to sell nor a solicitation of an offer to buy any security. No recommendation is being made as to whether holders of the 2026 Notes should consent to the Proposed Amendments. The solicitation of consents is not being made in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such solicitation under applicable state or foreign securities or “blue sky” laws.

Under no circumstances shall the Consent Solicitation Statement constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for the 2026 Notes in any jurisdiction.

The consent solicitation is not being made to, and no consents are being solicited from, holders or beneficial owners of the 2026 Notes in any jurisdiction in which it is unlawful to make such consent solicitation or grant such consents. However, the Issuer may, in its sole discretion and in compliance with any applicable laws, take such actions as it may deem necessary to solicit consents in any jurisdiction and may extend the consent solicitation to, and solicit consents from, persons in such jurisdiction.

The making of the consent solicitation and the Consent Payment, as applicable, may be restricted by law in some jurisdictions. Persons into whose possession the Consent Solicitation Statement comes must inform themselves about and observe these restrictions.

### **Forward-Looking Statements**

Some of the information included in this announcement contains forward-looking statements. You can identify these forward-looking statements by use of words such as “strategy,” “expects,” “continues,” “plans,” “anticipates,” “believes,” “will,” “estimates,” “intends,” “projects,” “goals,” “objectives,” “guidance,” “targets,” “forecasts” or “could”, the negative of such terms and other words of similar meaning. You can also identify them by the fact that they do not relate strictly to historical or current facts (including, without limitation, all statements concerning the Intended Deleveraging Transaction). Although Puma Energy believes that the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. The matters discussed in these forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results and trends to differ materially from those made, projected, or implied in or by the forward-looking statements depending on a variety of uncertainties or other factors. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of Puma Energy or any of its directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this announcement. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of Puma Energy or any of its directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this announcement.

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