



# PETROGRAND

PRESS RELEASE 15<sup>th</sup> DECEMBER 2021

## Operational update

Petrogrand AB (Publ) ("Petrogrand") is pleased to provide the following operational update:

### Partial repayment of loan

In January 2018 Petrogrand AB ("Petrogrand") and PetroNeft Resources Plc ("PetroNeft") entered into a Facility Agreement whereby Petrogrand provided Petroneft with a loan facility, secured on the assets of Petroneft, in the amount of up to US\$2 million with an interest rate of LIBOR +9%. In 2019 the parties agreed to increase the loan facility up to an amount of US\$2.5 million. The parties also agreed to a bonus payment of US\$2.5 million per License if either or both License 61 or License 67 are sold within two years of the loan being fully repaid. In December 2020 the loan was extended to 15 December 2021 under the following terms:

- Ten percent of the loan amount to be repaid in six equal instalments from July through to December 2021.
- Further extension possible to 15th December 2022 on payment of a further 10% of outstanding loan amount by 15th December 2021 and extension of the bonus payments timing by two years to 31 December 2024

Petroneft has repaid twenty percent (20%) of the loan amount as agreed. Petroneft has therefore, in accordance with the agreement, enabled a further extension to repay the remaining loan amount, constituting 2.3 MUSD, until 15 December 2022.

However, Petroneft has announced they are negotiating the potential refinancing of the loan with a third party. Petrogrand has therefore, partly to reduce the credit risk exposure to one single counterparty, extended the possibility to repay the loan in full to 15 January 2022. If the loan is fully repaid before this maturity date the bonus payment timing is extended to 31 January 2024. In the event Petroneft does not refinance the loan on or before the extended maturity date the loan is extended in accordance with the earlier agreement to 15 December 2022 and bonus payment timing to 31 December 2024.

For further information, please contact:

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About Petrogrand

For more information visit the company's webpage [www.petrogrand.se](http://www.petrogrand.se)