

## 19 August 2016 - Baron Oil Plc Option Revision

InfraStrata plc (AIM:INFA), the independent petroleum exploration and gas storage company, is pleased to report that it has repaid the loan and agreed an amendment to the accompanying option under the Convertible Loan Facility Agreement (“Agreement”) with Baron Oil Plc (“Baron”) with respect to the Islandmagee gas storage project in Northern Ireland.

Under the terms of the Agreement, originally announced in May 2015, Baron provided a loan for €1.8 million to InfraStrata. These funds were used as working capital to bridge the receipt of the European Commission grant, the outstanding 70% of which (€1.8 million) was received on completion of the work programme as announced on 25 May 2016. The programme included the drilling of the Islandmagee-1 well, which was drilled successfully in May/June 2015, together with subsequent rock mechanical testing of salt cores and engineering work. The loan was subject to an interest rate of 8% of the funds drawn down. Baron originally had a right to extend the loan period until 31 December 2016.

Baron had an accompanying option to convert the entire balance of the loan into an equity participation of 15% of the share capital in InfraStrata’s subsidiary, Islandmagee Storage Limited (“IMSL”). Should the option be exercised, the equity would be provided pro-rata by InfraStrata and its project partner, Moyle Energy Investments Limited (“Moyle”), as the other shareholder of IMSL. The amendment to the Agreement results in the option continuing to 31 March 2017, but the loan has been repaid effective 1 August 2016 from the balancing monies received from the European Commission, thereby reducing the interest due under the loan had Baron extended it to the end of 2016. The option as amended enables Baron to acquire a 15% interest in the IMSL project for a payment of £1,536,498.

Commenting on the Agreement, Andrew Hindle, CEO of InfraStrata said:

“We are pleased to continue to be working with Baron to unlock the potential of the Islandmagee gas storage project. The Baron loan has facilitated the development of a key piece of gas infrastructure and whilst now repaid in full the amendment affords Baron the continued and extended option to participate in the project. As previously updated at the end of June 2016, the Company is continuing a process to seek new investors for Islandmagee over the summer months to enable the project to proceed through to a Final Investment Decision, targeted for 2017.”

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