

# Silk Energy Limited Receives CSE Conditional Listing Approval

Toronto, Ontario - April 6, 2022 -- Silk Energy Limited (the "Company") is pleased to announce that it has received conditional approval from the Canadian Securities Exchange (the "CSE") for listing of the common shares of the Company (the "Common Shares"). The listing is subject to satisfaction of the following conditions:

- Delivery to the CSE of an updated legal opinion from the Company's legal counsel in Kazakhstan confirming that the LLP, in which the Company has an indirect 50% participating interest through UnionField Group ("UnionField"), has the exclusive right to explore, develop and sell oil produced from the Ustyurt Property and has received the required licenses, permits and approvals to carry out its operations;
- Certain financing arrangements with Bowview Pte. Ltd. (the "Singapore Facility") having been finalized prior to listing with the first tranche of the Equity Component (as defined below) in the amount of \$9,875,000 having been provided to the Company by that time;
- The Concurrent Convertible Debenture Placement (as defined below) having been completed prior to listing; and
- Completion of any and all outstanding CSE application documentation and payment of fees pursuant to the CSE's policies.

A date for trading will be determined upon confirmation of the above conditions being satisfied.

## Background

The Company, through its wholly-owned Norwegian subsidiary Silk Energy AS, intends to operate as an oil and gas exploration company engaged in the identification, exploration and, if warranted, development of oil and gas fields in Kazakhstan. The Company's primary project is the Ustyurt Property, in the Mangystau region, covering more than 6,400 km<sup>2</sup>. The Ustyurt Property will be developed through a Kazakhstani limited liability partnership (the "LLP") comprised of two limited partners, each holding a 50% participating interest: KazMunayGas National Company JSC, Kazakhstan's state-owned vertically integrated oil and gas company, and UnionField, a British Virgin Islands company which is 100% owned by Silk Energy AS.

Pursuant to the terms of the Singapore Facility, Bowview Pte Ltd. ("Bowview") is to (a) purchase \$18,900,000 in Common Shares of the Company (the "Equity Component"); and (b) provide a debt facility of up to \$7.5 million pursuant to which Bowview has agreed to advance funds in exchange for the issuance of convertible debentures (the "Debt Component"). All shares issuable pursuant to the Singapore Facility will be priced at \$0.35 per share and the convertible debt under the Debt Component will be convertible at \$0.35 per share. The Equity Component will consist of three tranches. The first \$9,875,000 tranche of the Equity Component (out of an eventual total of \$18,900,000) will entail the issuance of 28,214,285 Common Shares of the Company at a price of \$0.35 per share.

The Concurrent Convertible Debenture Placement is an arm's length, non-brokered private placement of an unsecured convertible debenture to be issued to an existing shareholder of the Company raising gross proceeds of USD 5 million. The convertible debenture will bear interest at a rate of 6% per annum, has a term, if not first converted, of 24 months from the date of issue, and is convertible during the term into an aggregate of 17,857,143 Common Shares at a price of \$0.35 per Common Share at the option of the Company. Although denominated in USD, the convertible debenture established that for purposes of determining the number of Common Shares issuable on conversion, the exchange rate applicable to the principal amount of the debenture will be USD 1: CAD 1.25. Interest earned on the debenture is not convertible. The Company has contractually committed to use the proceeds from the Concurrent Convertible Debenture Placement solely for purposes of drilling the Salken Prospect on the Ustyurt Property.

For further information, please contact Steve Kappella, Chief Executive Officer of the Company, at [info@silk-energy.com](mailto:info@silk-energy.com).

Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this news release.

Forward Looking Information

This press release contains forward-looking statements based on assumptions, uncertainties and management's best estimates of future events. These forward-looking statements include, but are not limited to, statements with respect to the Company's application for listing on the CSE, completion of the CSE's conditional listing conditions including with respect to obtaining the legal opinion from the Company's legal counsel in Kazakhstan, the finalization of the Singapore Facility and the provision of the funds to the Company pursuant to the first tranche of the Equity Component, the completion of the Concurrent Convertible Debenture Placement, the completion of any and all outstanding CSE application documentation and payment of fees, and the Company's oil and gas exploration activities in Kazakhstan. Actual results may differ materially from those currently anticipated. Investors are cautioned that such forward-looking statements involve risks and uncertainties. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, but are not limited to the Company's inability to: (i) satisfy any or all of the CSE's listing conditions; (ii) changes in general economic, business and political conditions, including changes in the financial markets, changes in applicable laws and regulations both locally and in foreign jurisdictions; and (iii) compliance with extensive government regulation and the costs associated with compliance. The Company has no intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law.