

# Trillion Energy Signs Letter of Intent for USD \$17.5 Million in Debt and Royalty Financing

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VANCOUVER, April 27, 2021 - [Trillion Energy International Inc.](#) ("Trillion" or the "Company") (CSE: TCF) (OTC: TCFF) (Frankfurt: 3P2N) is pleased to announce it has signed a letter of intent ("the LOI") with a US investment fund (the "Investor") to obtain up to USD \$17,500,000 in new financing ("the Financing"), to finance the development of new producing gas wells on the SASB natural gas field, Black Sea. The LOI is subject to due diligence where the Company and Investor will diligently work towards definitive agreements to bring the financing to fruition. The planned Financing has three components as described below.

## Overriding Royalty on Gas and Oil Production

A royalty sale for net proceeds to Company of USD \$4,500,000 in exchange for an overriding royalty interest ("ORRI") in the natural gas and oil production at both of the Company's Cendere Oil Field and SASB Gas Fields. The ORRI is 5% on the Company's net interest in the Cendere Oil Field production and 3% on the SASB Gas Field production net to Company. The ORRI is extinguished upon accumulated ORRI payments of USD \$16,000,000.

## Convertible Debt

The LOI includes a draw-down loan facility for up to USD \$13,500,000, which will be repayable in equal installments over a thirty-six-month period and bears an interest rate of 13% per annum ("the Loan Facility"). The Loan Facility may be prepaid at the election of the Company after 12 months. Additional terms of the Loan Facility include:

A first advance on the Loan Facility in the amount of USD \$16,000,000 (the "First Advance") payable immediately upon closing to be used for working capital, general corporate purposes and for funding development expenditures on the SASB gas field. The First Advance is convertible at the election of the Investor into the common stock of the Company at a fixed price of USD \$.28/share during the term in which the Loan Facility is outstanding.

Subsequent advances on the Loan Facility for up to USD \$9,500,000 available to the Company prior to, but not after the date that is 30 days prior to the maturity of the Loan Facility, and where each draw down by Company may not be less than USD \$1,500,000. The Loan Facility advances may be used solely by the Company for the purpose of funding development expenditures on the Company's assets located in the South Akcakoca Sub-Basin (ie the SASB Gas Field) and must be expended within twelve (12) months of each respective draw being made ("the Subsequent Advances").

If a period of more than twelve (12) months passes without an advance being made on the Loan Facility and if any balance of the Loan is outstanding, either party may cancel the whole (but not less than the whole) of the unadvanced portion of the available Loan Facility upon fifteen (15) business days prior notice. A standby fee of 2.5% per annum is payable on the balance of the unused Loan Facility amount.

The Subsequent Advances (including all interest accrued thereon) may be converted at the election of the lender into Common Shares at a price per Common Share calculated in accordance with the rules and policies of the CSE Exchange equal to a 20% premium to individual daily volume weighted average prices calculated based on a VWAP for the last 30 days trading volume.

## Other

The LOI is subject to, inter alia, satisfactory completion, preparation, and execution of definitive

documentation, including a satisfactory due diligence review acceptable to the Company and Investor, and an agreed upon CapEx Plan for SASB development in advance.

Trillion's CEO Arthur Halleran stated: "The combined debt and royalty financing is designed to realize the significant potential revenue stream from the SASB gas field and to minimize dilution to our existing shareholders from obtaining capital to do so. We are hopeful to close the financing and move forward into redevelopment this year."

#### About the Company

Trillion Energy is an oil and gas producing company with multiple assets throughout Turkey and Bulgaria. The Company is 49% owner of the SASB natural gas field, one of the Black Sea's first and largest scale natural gas development projects; a 19.6% (except three wells with 9.8%) interest in the Cendere oil field; and in Bulgaria, the Vranino 1-11 block, a prospective unconventional natural gas property.

For further information, please see our website: [www.trillionenergy.com](http://www.trillionenergy.com) or email us: [info@trillionenergy.com](mailto:info@trillionenergy.com). The Company's NI 51-101 and other reports relating to its reserves as of December 31, 2020 are filed on [www.sec.gov](http://www.sec.gov), [www.sedar.com](http://www.sedar.com), [www.thecse.com](http://www.thecse.com), as well as the Company's website.

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#### Cautionary Statement Regarding Forward-Looking Statements and other information about this news release and the Company reserves

*The accuracy of any resources estimate is a function of the quality and quantity of available data and of engineering interpretation and judgement. While resources estimate presented herein are considered reasonable, the estimates should be accepted with the understanding that reservoirs performance subsequent to the date of the estimate may justify revision, either upward or downward. Revenue projections presented in this report are based in part on forecasts of market prices, currency exchange rates, inflation, market demand and government policy which are subject to many uncertainties and may, in future, differ materially from the forecasts utilized herein. Present values of revenues documented in this report do not necessarily represent the fair market value of the resources evaluated herein.*

*This release contains forward-looking statements, which are based on current expectations, estimates, and projections about the Company's business and prospects, as well as management's beliefs, and certain assumptions made by management. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "should," "will" and variations of these words are intended to identify forward-looking statements. Such statements speak only as of the date hereof and are subject to change. The Company undertakes no obligation to publicly revise or update any forward-looking statements for any reason. These statements include, but are not limited to, statements about the Company's prospectus listing on the Canadian Securities Exchange, the potential impact on the market for its securities, expansion and business strategies, anticipated growth opportunities, and the amount of fundraising necessary to achieve the foregoing. Such statements are not guaranteeing of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict. Accordingly, actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors. These factors include unforeseen securities regulatory challenges, COVID, oil and gas price fluctuations, operational and geological risks, the ability of the Company to raise necessary funds for development; the outcome of commercial negotiations; changes in technical or operating conditions; the cost of extracting gas and oil may be too costly so that it is uneconomic and not profitable to do so and other factors discussed from time to time in the Company's Securities and Exchange Commission filings, including the most recently filed Annual Report on Form 10-K and subsequent reports on Forms 10-Q, 8-K. For a full summary of our oil and gas reserves information, please refer to our Forms F-1,2,3 51-101 filed on [www.sedar.com](http://www.sedar.com), and or request a copy of our reserves report effective December 31, 2020.*

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