TUKTU RESOURCES LTD. ANNOUNCES THE EXECUTION OF A DEFINITIVE AGREEMENT TO ACQUIRE LOW DECLINE, 100% OIL WEIGHTED PRODUCTION IN SOUTHERN ALBERTA AND RELATED FINANCING ARRANGEMENTS.

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CALGARY, ALBERTA October 18, 2023 - **Tuktu Resources Ltd.** ("**Tuktu**" or the "**Company**") (TSXV: TUK) is pleased to announce that on October 17, 2023 it entered into a purchase and sale agreement (the "**PSA**") with an arm's length company (the "**Vendor**") to purchase certain oil assets located in southern Alberta (the "**Assets**") from the Vendor (the "**Acquisition**").

In connection with the Acquisition, the Company entered into an engagement agreement with Research Capital Corporation, as the sole agent and sole bookrunner (the "**Agent**"), on a commercially reasonable efforts basis to conduct a brokered private placement of equity units of the Company (the "**Units**") at a price of $0.06 per Unit (the "**Issue Price**") for aggregate gross proceeds of up to $2,500,000 (collectively, the Offering and the Concurrent Placement, as each term is defined herein, being the "**Private Placements**"). Each Unit shall be comprised of one common share in the capital of the Company (a "**Common Share**") and one Common Share purchase warrant of the Company (a "**Warrant**"). Each Warrant shall entitle the holder thereof to purchase one Common Share at an exercise price of $0.0975 for a period of 36 months from closing of the Private Placements. Further, the Company entered into a non-binding term sheet with the Lender (as defined below) to establish a credit facility.

ACQUISITION HIGHLIGHTS

Large Concentrated Land Positions within Economic Banff Light Oil Resource Play

- Land position of 29,685 gross (29,396 net) hectares in southern Alberta near to the Foothills.
- Highly synergistic with the acquired lands building on the Company's strategic land position in the southern Alberta Deep Basin and Foothills.

Large Drilling Inventory Provides Years of Growth Opportunity

- Targeting the Banff formation within mappable Enhanced Permeability Fairway ("**EPF**") located close to regional scale faults.
- Certain wells within the EPF have achieved IP30 rates of >400 bbl/d of light oil, with a cumulative production of 450 Mbbls(1).
- Tuktu has identified at least 30 gross unrisked drilling locations within this EPF on the lands being acquired pursuant to the Acquisition. This is in addition to 20+ inventory of unrisked drilling locations within the Company's current land holdings(2).

High Quality Low Decline Light Oil Production

- Stable base production of approximately 165 bbl/d(4); 100% light oil with an average 33° API gravity.
- Estimated annual decline of 16%.
- Immediate low risk production growth with several well recompletion opportunities.

Long-Term Reserve Development Upside

- Estimated Acquisition Reserves and Net Present Value of Future Net Revenue(3)
  - PDP 0.31 MMbbl, $5.5 million NPV10%
  - TPP 2.1 MMbbl, $19.6 million NPV10%
- Southern Alberta acquisition announced March 21, 2023(8)
  - PDP 727 MBoe ,$3.7 million NPV10%
  - TPP 1,449 Mboe, $6.2 million NPV10%
- Southern Alberta oil acquisition, announced December 8, 2022(7)
  - PDP 27 MBoe ,$0.6 million NPV10%

- TPP 1,329 Mboe, $35.1 million NPV10%

Establishes a Growth Platform

- Combined production on a *pro forma* basis of 565 BOE/d[4].
- Pro forma land position in southern Alberta core area of 41,048 gross (40,118 net) hectares.

Recompletion and Workover Program Targeting Increase in Corporate Production

Tuktu has assembled a portfolio of opportunities, including well recompletions and production optimization projects which are anticipated to occur late Q4 2023, or early 2024[6]. These projects are targeted at increasing the Company's production and may include some or all of the following:

- Artificial lift installation on a Foothills oil well which is currently producing unassisted in a "free flow" state.
- A single standing well is contemplated to be completed for sweet gas. The targeted reservoir is in a structurally favourable position, and the log response is analogous to those of our current producing Foothills gas wells. A successful operation could add significant net production to the Company and delineate further offset drilling locations.
- Optimizations, recompletions and re-entries on the newly acquired assets have the potential to substantially increase the acquisition volumes being acquired. By utilizing existing wellbores for these opportunities, Tuktu is expecting to further decrease inactive liability and extend the life of the Assets.

While subject to further technical due diligence and planning, the Company is high grading projects with <1 year payout[5]. Together, low-cost completion and optimization initiatives have the potential to double the Company's total production.

Notes:

(1) Source: Geoscout. See "*Oil and Gas Advisories - Initial Production Rates*" and "*Oil and Gas Advisories – Analogous Information*".
(2) See "*Oil and Gas Advisories – Drilling Locations*".
(3) Reserves information is based on the Acquisition Reserves Report (as defined below).
(4) Current production for the Assets of 165 BOE/d is based on average production from May to July 2023, based on the Vendor's lease operating statements. Current production for the Company's current assts is 400 BOE/d.
(5) See "*Oil and Gas Advisories – Oil and Gas Metrics*".
(6) See "*Forward-Looking Information Advisories – Recompletion Plan*".
(7) Reserves information is based on a report prepared by independent reserves evaluator, Chapman Petroleum Engineering Ltd. (the "**Chapman Report**") dated effective June 30, 2022 prepared in accordance with COGEH (as defined below) and National Instrument 51-101 ("**NI 51-101**"). The Chapman Report was based on the average forecast pricing of Chapman Petroleum Engineering Ltd. and inflation rates and foreign exchange rates as at July 1, 2022.
(8) Reserves information is based on a report prepared by independent reserves evaluator, GLJ Ltd. (the "**GLJ Report**") dated effective January 1, 2023 prepared in accordance with COGEH and NI 51-101. The GLJ Report was based on the average forecast pricing of GLJ, McDaniel & Associates Consultants Ltd. and Sproule Associates Ltd. as at January 1, 2023.

ACQUISITION METRICS

Purchase Price ("**P**")[1,5]	$3 million	
Adjusted Purchase Price[2]	$1.5 million	
12 Month Trailing Operating Expenses[3]	$33.95/bbl	
2023E Production[4]	165 bbl/d	
2023 Est. Annualized NOI[3,6]	$2.2 million	
Cost Per Flowing Barrel (P/(bbls/d))[4,9]	$18,182	
Trailing production decline	16%	
Reserves	**MMbbl[7,9,10]**	**NPV10% ($MM) [7,8,10,11]**
PDP	0.3	$5.50
Proven	0.3	$5.60
Proven + Probable	2.1	$19.60
Reserves	**P/MMbbl[7,9,10]**	**P/NPV10%[7,8,9,10,11]**
PDP	$9.75	55%

Proven	$9.75	55%
Proven + Probable	$1.44	15%

Notes:

(1) Prior to interim or final adjustments.
(2) The Adjusted Purchase Price is the Purchase Price of $3.0 million less estimated interim adjustments of $1.5 million, based on nine months of adjustments.
(3) Based on Vendor's books and records or a projection of such records, as applicable, with an asset decline of 16% and September 20, 2023 strip pricing.
(4) May to July 2023, average production, based on the Vendor's lease operating statements.
(5) The components of the Purchase Price (prior to any adjustments) are allocated as follows: (i) $2.4 million to petroleum and natural gas rights; (ii) $599,990 to tangibles; and (iii) $10.00 to miscellaneous interests and seismic rights.
(6) Non-GAAP Financial Measure. Non-GAAP financial measures do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. Reference should be made to the section entitled "*Non-GAAP and Other Financial Measures*".
(7) Based on the Acquisition Reserves Report. Assumes unadjusted Purchase Price. See "*Oil and Gas Advisories – Reserves Information*".
(8) Before tax net present value is based on a 10% discount rate and the price deck set forth under "*Pricing Assumptions*" below.
(9) Supplementary financial measure. Reference should be made to the section entitled "*Non-GAAP and Other Financial Measures*".
(10) See "*Abbreviations*" below.
(11) NPV10% means the net present value of future net revenue before income tax discounted at 10%. The discounted net present value of future net revenues attributable to reserves do not represent fair market value. See "*Oil and Gas Advisories – Reserves Information*".

THE PSA

Pursuant to the PSA, Tuktu has agreed to purchase the Assets from the Vendor for aggregate consideration of $3.0 million (the "**Purchase Price**"), subject to customary adjustments. Concurrent with the execution of the PSA, the Company paid a $150,000 deposit which will be credited towards the Purchase Price (the "**Deposit**").

The Acquisition is expected to close in escrow on or about December 1, 2023 (the "**Escrow Closing**"). The Escrow Closing is subject to and conditional upon, among other things: (i) Tuktu obtaining sufficient funds to satisfy the Interim Purchase Price; and (ii) other customary conditions and approvals, including the approval of the TSX Venture Exchange (the "**TSXV**").

On Escrow Closing, the Company anticipates that the Purchase Price, after interim adjustments and after deducting the Deposit, will be approximately $1.35 million (the "**Interim Purchase Price**"). The Interim Purchase Price will be held in escrow following the Escrow Closing and will be releasable to the Vendor upon receipt of AER approval for the licence transfers related to the Assets, at which time the Acquisition will be completed and Tuktu will obtain full and clear title to the Assets (the "**Acquisition Closing**"). The Company anticipates that the Acquisition Closing may occur on or about 60 business days following the Escrow Closing.

THE FINANCINGS

THE PRIVATE PLACEMENTS

Concurrent with the execution of the PSA, the Company entered into an agreement with the Agent to conduct the Private Placements, which are comprised of Offering and the Concurrent Placement, as described further below.

The Offering is a brokered private placement of 16,666,667 Units at a price of $0.06 per Unit to be issued under the financing exemption under Part 5A (the "**Listed Issuer Financing Exemption**") of National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**") for aggregate gross proceeds of $1,000,000 (the "**Offering**"). Each Unit will consist of one Common Share and one Warrant. Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of $0.0975 for a period of 36 months from Closing (as defined below).

The Concurrent Placement is being conducted by the Company concurrently with the Offering and is a brokered private placement led by the Agent of up to 25,000,000 Units at the Issue Price (being a price of $0.06 per Unit) for aggregate gross proceeds of up to $1,500,000 (the "**Concurrent Placement**"). The Units issued pursuant to the Concurrent Placement will consist of one Common Share and one Warrant, and Warrants will be issued on the same terms and conditions as those issued under the Offering. The Company has granted the Agent an option (the "**Agent's Option**") to offer for sale up to an additional 15% of the number of Units sold in the Concurrent Placement, which

Agent’s Option is exercisable, in whole or in part, at any time up to 48 hours prior to the closing of the Private Placements.

The net proceeds of the Private Placements are expected to be used to fund the Interim Purchase Price and, to the extent there are remaining net proceeds after the payment of the Interim Purchase Price, the Company may use such proceeds to fund development projects on its existing properties and the Assets and may reallocate certain funds, from time to time, to working capital purposes (which may include legal fees, customary AER deposit fees and other fees and expenses related to the Acquisition), as the Company deems necessary or appropriate. In the event that Escrow Closing or Acquisition Closing does not occur, the Company will use the net proceeds from the Offering and the Concurrent Placement to fund development projects on its existing properties, for working capital purposes and to finance any future property acquisitions.

It is expected that the closing (the "**Closing**") of the Private Placements will occur on or about November 30, 2023, or on such other date as may be mutually determined by the Company and the Agent, acting reasonably, and, in any event, on or before a date not later than 45 days after the date of this press release.

Subject to compliance with applicable regulatory requirements and in accordance with NI 45-106, the Units issuable under the Offering will be offered for sale to purchasers resident in Canada other than Québec pursuant to the listed issuer financing exemption under Part 5A of NI 45-106. The Common Shares issuable from the sale of Units sold under the Offering are expected to be immediately freely tradeable under applicable Canadian securities legislation if sold to purchasers resident in Canada, subject to any hold period imposed by the TSXV on the securities issued to certain purchasers.

The minimum and maximum amounts to be raised pursuant to the Offering are each $1,000,000. In the event the Company does not raise the minimum gross proceeds of $1,000,000 pursuant to the Offering, the Offering will not be completed and no securities will be issued under the Listed Issuer Financing Exemption.

Units issuable in the Concurrent Placement are expected to be offered to purchasers pursuant to the accredited investor exemption under Section 2.3 of NI 45-106 and will be subject to the standard statutory four-month plus one day hold period.

In connection with the Private Placements, the Company will pay the Agent a cash commission equal to 8.0% of the gross proceeds of the Private Placements or $0.0048 per Unit, other than in respect of proceeds from the sale of Units to certain "president's list" purchasers identified by the Company (the "**President's List Purchasers**"), for which a 4.0% cash commission will be payable. In addition, the Agent will receive such number of broker warrants (the "**Broker Warrants**") as is equal to 8.0% of the number of Units sold under the Private Placements, other than in respect of the Units sold to the President's List Purchasers, for which the Agent shall receive Broker Warrants equal to 4.0% of the number of such Units. Each Broker Warrant shall entitle the holder thereof to purchase one Unit at an exercise price equal to $0.06 for a period of 36 months following the Closing.

There is an offering document relating to the Offering (the "Offering Document") that can be accessed under the Company's profile at www.sedarplus.ca and on the Company's website at www.tukturesources.com. Prospective investors should read the Offering Document before making an investment decision.

THE DEBT FINANCING

Concurrent with the execution of the PSA, the Company entered into a non-binding term sheet (the "**Term Sheet**") with a third-party lender (the "**Lender**") for a credit facility up to USD $1,500,000. The Company expects to enter into a binding commitment with such Lender prior to or concurrent with the Acquisition Closing to provide a credit facility (the "**Facility**") to Tuktu. If established, the funds available under the Facility may be drawn for development capital expenditures and AER deposit fees.

The Term Sheet was provided to Tuktu for discussion purposes only and does not contain all the terms, conditions, representations, warranties, and other provisions with respect to the Facility. The Term Sheet does not constitute a commitment or offer to provide financing by the Lender. No commitment or agreement exists or arises prior to the execution of a binding commitment letter. The indicative terms and conditions outlined in the Term Sheet are subject to the Lender’s review and approval process and are subject to change based on due diligence review and further analysis.

About Tuktu Resources Ltd.

Completion of the Acquisition is expected to add to Tuktu's existing assets in southern Alberta. With its multidecadal experience in this area, Tuktu intends to expand its holdings within this area, while it continues to evaluate Deep Basin and Foothills assets for further acquisitions. For additional information about Tuktu please contact:

Tuktu Resources Ltd.
501, 888 – 4th Avenue S.W.
Calgary, Alberta T2P 0V2

Attention: Tim de Freitas, President and Chief Executive Officer (phone 403-478-0141); or Mark Smith, CFO and VP Finance (phone 403-613-9661)

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

All amounts in this press release are stated in Canadian dollars unless otherwise specified.

FORWARD-LOOKING INFORMATION ADVISORIES

Certain information contained in the press release may constitute forward-looking statements and information (collectively, "**forward-looking statements**") within the meaning of applicable securities legislation that involve known and unknown risks, assumptions, uncertainties and other factors. Forward-looking statements may be identified by words like "anticipates", "estimates", "expects", "indicates", "intends", "may", "could" "should", "would", "plans", "target", "scheduled", "projects", "outlook", "proposed", "potential", "will", "seek" and similar expressions. Forward-looking statements in this press release include statements regarding, among other things: that the Company will complete the Acquisition on the expected terms and timing thereof; the anticipated timing of the Escrow Closing; the anticipated amounts of the Private Placements; expectations regarding applicable regulatory approvals, including those of the TSXV and the AER; the Company's anticipated use of the proceeds of the Private Placements, including with respect to funding of the Interim Purchase Price; the estimated Interim Purchase Price; that Tuktu will receive full and clear title to the Assets; the anticipated annual decline of the Assets; financial and operating forecasts with respect to the Assets; the Company's intention to exploit the reservoirs and the Company's long term business strategy with respect to the Assets; that the Company will be able to implement a well workover/recompletion program and the anticipated production growth resulting therefrom; the anticipated savings in completion costs and corresponding increase of return on capital; the anticipated terms of the Private Placements, including with respect to the Warrants; the anticipated exemptions from NI 45-106 under the Private Placements; the anticipated freely-tradeable status of the Common Shares issued under the Offering; estimated acquisition metrics, including estimated production; projections with respect to operating expenditures and capital expenditures; and other similar statements. Such statements reflect the current views of management of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause results to differ materially from those expressed in the forward-looking statements.

Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. There are numerous uncertainties inherent in estimating quantities of crude oil, natural gas and NGL reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth above are estimates only. In general, estimates of economically recoverable crude oil, natural gas and NGL reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For these reasons, estimates of the economically recoverable crude oil, NGL and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. Tuktu's and the Assets' actual production, revenues, taxes and development and operating expenditures with respect to their respective reserves will vary from estimates thereof and such variations could be material.

With respect to forward-looking statements contained in this press release, the Company has made assumptions regarding, among other things: that the Company will be able to successfully complete the Acquisition and the Private Placements on substantially the terms contemplated; future pricing; commodity prices; future exchange and interest rates; supply of and demand for commodities; that the Company will be able to exploit the Mississippian aged reservoirs in the land base; that the Company will be able to successfully implement a well workover/recompletion program to increase production; inflation; the availability of capital on satisfactory terms; the availability and price of labour and materials; the impact of increasing competition; conditions in general economic and financial markets; access to capital; the receipt and timing of regulatory, TSXV, AER and other required approvals; the ability of the Company to implement its business strategies and complete future acquisitions; the Company's long term business strategy; operating costs and capital expenditures; and effects of regulation by governmental agencies.

Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of the Company's businesses include, among other things: risks and assumptions associated with operations, such as the Company's ability to successfully implement its strategic initiatives and achieve expected benefits; assumptions regarding the Assets and the value of the Acquisition; risks regarding the Company's ability to complete the Acquisition and the Private Placements on substantially the terms contemplated; assumptions concerning operational reliability; risks inherent in the Company's future operations; the Company's ability to generate sufficient cash flow from operations to meet its future obligations; the Company's ability to exploit the Mississippian aged reservoirs in the land base; the Company's ability to implement a well workover/recompletion program to increase production; risks regarding the Company's ability to reduce operating costs and increase production; increases in maintenance, operating or financing costs; the realization of the anticipated benefits of future acquisitions, if any; the availability and price of labour, equipment and materials; competitive factors, including competition from third parties in the areas in which the Company intends to operate, pricing pressures and supply and demand in the oil and gas industry; fluctuations in currency and interest rates; inflation; risks of war, hostilities, civil insurrection, pandemics (including COVID-19), instability and political and economic conditions in or affecting countries in which the Company intends to operate (including the ongoing Russian-Ukrainian conflict and Israeli-Hamas conflict); severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to the management team's future business; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals and the maintenance of such approvals; general economic and business conditions and markets; and such other similar risks and uncertainties. The impact of any one assumption, risk, uncertainty or other factor on a forward-looking statement cannot be determined with certainty, as these are interdependent and the Company's future course of action depends on the assessment of all information available at the relevant time.

The forward-looking statements contained in this press release are made as of the date hereof and the parties do not undertake any obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

RECOMPLETION PLAN

The Company has presented herein a illustrative recompletion plan in respect of the acquired Assets and Tuktu's current assets. The plan is based on a number of assumptions including, without limitation: the required reinvestment rates to maintain production; expected recovery factors; enhanced oil recovery options; average production per year resulting from such development plan; expected cash flow and free cash flow; capital expenditures per year; expectations as to commodity prices, royalty rates, production costs, general and administrative expenses and certain other assumptions. Such plan is not based on a budget or capital expenditures plan approved by the Board of Directors of the Company and is not intended to present a forecast of future performance or a financial outlook. In addition, such plan does not represent management's expectations of the Company's future performance but rather is intended to present readers insight into management's view of the opportunities associated with the Acquisition as used by management for planning and strategy purposes based on the commodity pricing and other assumptions used for such strategy. In addition, the plan does not represent an estimate of reserves or the future net present value of reserves. There is no certainty that the Company will proceed with any of the projects contemplated by the plan and even if the Company does proceed with such plans there is no certainty that the reserves recovered will match the expectations used for such plan. All future capital expenditures will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, debt levels, actual drilling results, additional reservoir information that is obtained and other factors. The assumptions used for the plan presented herein are subject to a number of risks including the risks set out under the forward-looking advisory set out above.

FORWARD LOOKING FINANCIAL INFORMATION

This press release contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about the prospective operational and financial results of the Assets, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about the Company's future business operations, the Company disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable securities laws. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

NON-GAAP AND OTHER FINANCIAL MEASURES

This press release uses various specified financial measures (as such terms are defined in National Instrument 52-112 – *Non-GAAP Disclosure and Other Financial Measures Disclosure* ("**NI 51-112**")) including "non-GAAP financial measures", "non-GAAP ratios" and "supplementary financial measures" (as such terms are defined in NI 51-112), which are described in further detail below. Management believes that the presentation of these non-GAAP measures provide useful information to investors and shareholders as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis. These non-GAAP and other financial measures are not standardized financial measures under IFRS and might not be comparable to similar measures presented by other companies where similar terminology is used. Investors are cautioned that these measures should not be construed as alternatives to or more meaningful than the most directly comparable IFRS measures as indicators of the Company's performance.

Non-GAAP Financial Measures

Net Operating Income

Management feels net operating income is a key industry benchmark and measure of operating performance of the Company that assists management and investors in assessing the Company's profitability and is commonly used by other petroleum and natural gas producers. Net operating income is calculated as petroleum and natural gas revenue less royalties, transportation and operating expenses.

Supplementary financial measures

This press release may contain certain supplementary financial measures. NI 52-112 defines a supplementary financial measure as a financial measure that: (i) is intended to be disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity; (ii) is not disclosed in the financial statements of the entity; (iii) is not a non-GAAP financial measure; and (iv) is not a non-GAAP ratio.

The Company calculates "Purchase Price/PDP NPV10%" by dividing the Purchase Price by the net present value of the proved developed producing reserves discounted at 10%, "Purchase Price/Proven NPV10%" by dividing the Purchase Price by the net present value of the proven reserves discounted at 10%, "Purchase Price/Proven + Probable NPV10%" by dividing the Purchase Price by the net present value of the proven and probable developed producing reserves discounted at 10%, "Purchase Price/PDP" by dividing the Purchase Price by the estimated proved developed producing reserves, "Purchase Price/Proven" by dividing the Purchase Price by the estimated proven reserves and "Purchase Price/2P" by dividing the Purchase Price by the estimated total proved plus probable reserves.

OIL AND GAS ADVISORIES

RESERVES INFORMATION: Reserves estimates in this press release: (i) in respect of the Acquisition are based on the evaluations prepared by GLJ Ltd. as set out in the Acquisition Reserves Report effective as at December 31, 2022; (ii) in respect of the acquisition announced in March of 2023 are based on evaluations prepared by GLJ Ltd. as set out in the GLJ Report effective as at January 1, 2023; and (iii) in respect of the acquisition announced in December 2022 are based on evaluations prepared by Chapman Petroleum Engineering Ltd., as set out in the Chapman Report effective as at June 30, 2022, each of which was prepared in accordance with NI 51-101 and the COGE Handbook ("**COGEH**"). The Acquisition Reserves Report was based on the average price and market forecasts of three independent reserves evaluators (GLJ, McDaniel & Associates Consultants Ltd. and Sproule Associates Ltd.) as of January 1, 2023 which is set forth under the heading "Pricing Assumptions" below, the GLJ Report was based on the average forecast pricing of GLJ, McDaniel & Associates Consultants Ltd. and Sproule Associates Ltd. as at January 1, 2023 and the Chapman Report was based on the average forecast pricing of Chapman Petroleum Engineering Ltd. and inflation rates and foreign exchange rates as at July 1, 2022 . There is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material. The recovery and reserve estimates of the crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.

This press release contains estimates of the NPV of the Company's future net revenue from reserves associated with the Assets and assets acquired pursuant to previously completed acquisitions, as applicbale. Such amounts do not represent the fair market value of such reserves. The recovery and reserve estimates provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. The NPV of the respective assets' base production is a snapshot in time and is based on the reserves evaluated using the applicable pricing assumptions described above. The NPV is calculated using a discount rate of 10%, on a before tax basis and is the sum of the present value of proved plus probable developed producing reserves based on the applicable pricing assumptions. It should not be assumed that the undiscounted or discounted NPV of future net revenue attributable to the respective assets represents the fair market value of those assets. The estimates for reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties due to the effects of aggregation. The recovery and reserve estimates of crude oil, NGL and natural gas reserves are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates relied upon for NPV calculations, herein.

BOE ADVISORY: The term "BOE" or barrels of oil equivalent may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

INITIAL PRODUCTION RATES: References in this press release to IP rates, other short-term production rates or initial performance measures relating to new wells are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. All IP rates presented herein represent the results from wells after all "load" fluids (used in well completion stimulation) have been recovered. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Accordingly, the Company cautions that the test results should be considered to be preliminary.

DRILLING LOCATIONS: This press release discloses drilling locations in three categories: (i) TPP locations; and (ii) unbooked locations. In respect of Assets, proved locations and probable locations are derived from the Acquisition Reserves Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. In respect of Tuktu, proved locations and probable locations are derived from the Chapman Report. In respect of the Assets to be acquired pursuant to the Acquisition, the 30 gross drilling locations identified herein, 6 gross are TPP locations, and 24 gross are unbooked locations. In respect of Tuktu, the 20+ gross drilling locations identified herein, 4 gross are TPP locations, and 16+ gross are unbooked locations. Unbooked drilling locations are the internal estimates of Tuktu based on Tuktu's or the Assets prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by Tuktu's management as an estimation of Tuktu's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Tuktu will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and natural gas reserves, resources or production. The drilling locations on which Tuktu will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While a certain number of the unbooked drilling locations have been de-risked by Tuktu drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management of Tuktu has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

ANALOGOUS INFORMATION: Certain information in this press release may constitute "analogous information" as defined in NI 51-101, with respect to the Assets including, but not limited to, information relating to well locations that are in geographical proximity to or believed to be on-trend with other drilling locations to be acquired by the Company pursuant to the Acquisition. There is no certainty that the results of the analogous information or inferred thereby will be achieved by the Company and such information should not be construed as an estimate of future production levels or the actual characteristics and quality of the Assets.

OIL AND GAS METRICS: This press release contains certain oil and gas metrics, including payout, which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Payout means the anticipated years of production from a well required to fully pay for the costs associated to drill, complete equip and tie-in a well. Such metrics have been included in this document to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the Company's future performance and future performance may not compare to the Company's performance in previous periods and therefore such metrics should not be unduly relied upon.

PRICING ASSUMPTIONS

	Edmonton Light $CAD/bbl
2023	$103.77
2024	$97.74
2025	$95.27
2026	$95.58
2027	$97.07
2028	$99.01
2029	$100.99
2030	$103.01
2031	$105.07
2032	$106.69
2033	$108.83

2034	$111.00
2035	$113.22
2036	$115.49
2037	$117.80
escalating at	2%

ABBREVIATIONS

Terms and abbreviations that are used in this press release that are not otherwise defined herein are provided below:

bbl(s) - barrel(s)
bbls/d - barrels per day
BOE - barrels of oil equivalent (6 Mcf = 1 bbl)
Mbbl - thousand barrels of oil
MMbbl – million barrels of oil
Mcf - thousand cubic feet
NGL - natural gas liquids as defined in NI 51-101
PDP - proved developed producing
TPP - total proved plus probable