TUKTU RESOURCES LTD. ANNOUNCES FIRST QUARTER 2025 RESULTS AND OPERATIONS UPDATE

CALGARY, ALBERTA May 21, 2025 - **Tuktu Resources Ltd.** ("**Tuktu**" or the "**Company**") (TSXV: TUK) is pleased to announce its financial and operating results for the three months ended March 31, 2025, as well as an operations update. Selected financial and operating information should be read in conjunction with Tuktu's unaudited interim condensed financial statements and related management's discussion and analysis ("MD&A") for the three months ended March 31, 2025, copies of which are available on the Company's SEDAR+ profile at www.sedarplus.ca.

Financial and Operating Highlights

($, except share #'s)	Three months ended, March 31, 2025	2024	change
Financial Highlights			
Petroleum and natural gas sales	**3,274,562**	528,374	520%
Cash flow from (used in) operating activities	**1,070,634**	(97,959)	1,193%
Per share - basic & diluted	**0.00**	(0.00)	0%
Adjusted funds flow from (used in) operations [(1)]	**353,651**	(176,757)	300%
Per share - basic & diluted	**0.00**	(0.00)	0%
Net loss	**(729,477)**	(177,515)	311%
Per share - basic & diluted	**(0.00)**	(0.00)	0%
Total capital expenditures [(1)]	**5,773,402**	-	100%
Adjusted working capital [(1)]	**3,874,186**	710,664	445%
Number of common shares outstanding			
Common shares outstanding, end of period	**265,460,393**	114,944,858	131%
Weighted average basic & diluted	**262,930,798**	114,944,858	129%
Operating Highlights			
Average production volumes			
Crude oil (bbls/d)	**358**	2	17,800%
Natural gas (mcf/d)	**2,081**	2,198	(5)%
Total (boe/d)	**705**	368	91%
% natural gas	**49%**	99%	(50)%
Average realized prices			
Crude oil ($/bbl)	**88.77**	84.25	5%
Natural gas ($/mcf)	**2.21**	2.57	(14)%
Petroleum and natural gas sales ($/boe)	**51.62**	15.76	228%
Operating netback ($/boe)			
Petroleum and natural gas sales	**51.62**	15.76	228%
Royalties	**(16.20)**	(2.11)	668%
Operating expenses	**(20.70)**	(7.12)	191%
Transportation expenses	**(1.37)**	(1.39)	(1)%
Operating netback [(1)]	**13.35**	5.14	160%

[(1)] See Non-IFRS Measures, Non-IFRS Financial Ratios and Capital Management Measures

Q1 2025 Highlights

- Production volumes averaged 705 boe/d (51% crude oil, 49% natural gas), an increase of 91 percent from the same period of 2024. The light oil discovery well in the southern Alberta Deep Basin contributed 247 bbl/d of oil production in the quarter while being shut-in for thirteen days for safety reasons while an offsetting horizontal well was drilled and completed from the same surface location.

- Capital expenditures were $5.8 million, including $0.8 million related to land and seismic acquisitions and $4.6 million related to the drilling and completion of a horizontal well in the southern Alberta Deep Basin. The well was drilled on farm-in lands whereby Tuktu paid for 100% of the drill and completion to earn an 80% working interest in the well and 3 additional sections of land.

- Operating netbacks (see "Non-IFRS Measures, Non-IFRS Ratios and Capital Management Measures" below) increased to $13.35/boe from $5.14/boe in the same period of 2024. Tuktu's realized sales price increased to $51.62/boe, due to the oil production growth and realized crude oil price of $88.77/bbl in the quarter.

Operations Update

Tuktu placed its new southern Alberta Deep Basin horizontal well on production on April 16, 2025. The well was drilled in a northerly direction to confirm facies distribution and reservoir quality at a regional scale. The Company installed an electric submersible pump ("**ESP**") to maximize pump-to-surface efficiency. To date, the ESP has operated intermittently due to periodic emulsion blockages related to the completion of the well. These blockages are not considered a reservoir quality issue but are the result of intermingling formation oil and frac fluid under pressured conditions. Tracer data introduced into the frac fluid indicates that only 4 of the 20 fracs are contributing to inflow since installation of the ESP. Last week, the Company initiated a chemical intervention program which confirmed the blockage and allowed the well to pump fluids to surface once again, at rates of up to 288 bbls/d (60-70% load fluid). The Company will continue monitoring production and cleaning up of load fluid over the next few weeks. If the tracer data indicates a continued lack of contribution from the remaining 16 fracs, a more aggressive chemical intervention program will be initiated.

In conjunction with the results of the well, the Company is investigating the relationship between reservoir facies encountered during drilling and a seismic anomaly observed on its high-fold 2D data set. In-house and newly purchased seismic data are currently being reprocessed, and if the anomaly can be mapped, the play could be further derisked prior to the drilling of the next well.

The 2D seismic data also enables the identification of a fault network that underlies Tuktu's land base. Production history from the two wells in this new pool confirm a fault related, naturally fractured fairway. These naturally fractured fairways could provide localized areas of enhanced permeability and recoverable reserves.

This seismic reprocessing and fault identification will help determine the next drilling location. This well is anticipated to spud in the second half of this year.

About Tuktu Resources Ltd.

Tuktu is a publicly traded junior oil and gas development company headquartered in Calgary, Alberta with producing oil and gas properties in southern Alberta. For additional information about Tuktu please contact:

Tuktu Resources Ltd.
1750, 444 – 5th Avenue S.W.
Calgary, Alberta T2P 2T8

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

ADVISORIES

Forward-Looking and Cautionary Statements

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 (including variations and negatives thereof). Forward-looking statements in this press release include statements regarding, among other things: Tuktu’s business, strategy, objectives, strengths and focus; the Company’s drilling program, including its next drilling location and timing of same; the performance and other characteristics of the Company’s properties, including the Company’s recently drilled southern Alberta Deep Basin horizontal well and the use of an ESP to optimize productivity; expectations regarding the Company’s seismic reprocessing project; management’s expectations regarding reservoir characteristics and recovery factors and interpretation of its 2D seismic data, including localized areas of enhanced permeability and recoverable reserves; and expected results from its assets. 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.

With respect to forward-looking statements contained in this press release, the Company has made assumptions regarding, among other things: the timing and success of future drilling; future commodity prices, price volatility, price differentials and the actual prices received for Tuktu’s products; fairway characteristics; future exchange and interest rates; supply of and demand for commodities; 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, exchange 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; 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 inherent in the Company's future operations; the Company’s ability to generate sufficient cash flow from operations to meet its future obligations; 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; stock market and financial system volatility; fluctuations in currency and interest rates; inflation; risks of war, hostilities, civil insurrection, pandemics, political and economic instability overseas and its effect on commodity pricing and the oil and gas industry (including ongoing military actions between Russia and Ukraine and the crisis in Israel and Gaza); determinations by the Organization of Petroleum Exporting Countries and other countries (collectively referred to as OPEC+) regarding production levels and the risk of an extended period of low oil and natural gas prices; the imposition or expansion of tariffs imposed by domestic and foreign governments or the imposition of other restrictive trade measures, retaliatory or countermeasures implemented by such governments, including the introduction of regulatory barriers to trade and the potential effect on the demand and/or market price for the Company’s products and/or otherwise adversely affects the Company; risks with respect to unplanned pipeline outages; severe weather conditions and risks related to climate change, such as fire, drought and flooding and extreme hot or cold temperatures, including in respect of safety, asset integrity and shutting-in production; 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. For additional risk factors relating to Tuktu, please refer to the Company’s annual information form for the year ended December 31, 2024, and its most recent MD&A, which are available on the Company’s SEDAR+ profile at www.sedarplus.ca.

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.

Disclosure of Oil and Gas Information

Unit Cost Calculation: The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet per barrel (6 Mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this press release are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil. This conversion conforms with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

Product types: References to "oil" or "crude oil" in this press release include light crude oil, medium crude oil, heavy oil and tight oil product types combined as defined in NI 51-101. References to "gas" or "natural gas" relate to conventional natural gas as defined in NI 51-101.

Non-IFRS Measures, Non-IFRS Financial Ratios and Capital Management Measures

This press release includes various specified financial measures, including non-IFRS financial measures, non-IFRS financial ratios, capital management measures and capital management ratios as further described herein. These measures do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and, therefore, may not be comparable with the calculation of similar measures by other companies.

Total capital expenditures includes capital expenditures on exploration and evaluation assets, property, plant and equipment and property acquisition and proceeds on property disposition. Management uses the term "capital expenditures" as a measure of capital investment in exploration and production activity, as well as property acquisitions and dispositions. See the MD&A for a detailed calculation and reconciliation of capital expenditures to cash flow used in investing activities, which is the most directly comparable measure presented in accordance with IFRS.

Operating Netback is a non-IFRS financial measure calculated as petroleum and natural gas sales, less royalties, operating costs and transportation expenses. This metric can also be calculated on a per boe basis, which results in a non-IFRS financial ratio. The Company uses this measure to evaluate its operational performance. See the MD&A for a detailed calculation and reconciliation of operating netback and operating netback per boe to the most directly comparable measures presented in accordance with IFRS.

Adjusted Funds Flow from (used in) Operations is a capital management measure calculated by taking cash flow from (used in) operating activities and adding back changes in non-cash working capital, decommissioning costs incurred and transaction costs. Management considers adjusted funds flow from (used in) operations to be a key measure to assess the performance of the Company's oil and gas properties and the Company's ability to fund future capital investment. Adjusted funds flow from (used in) operations is an indicator of operating performance as it varies in response to production levels and management of costs. Changes in non-cash working capital, decommissioning costs incurred and transaction costs vary from period to period and management believes that excluding the impact of these provides a useful measure of the Company's ability to generate the funds necessary to manage the capital needs of the Company. See the MD&A for a detailed calculation and reconciliation of adjusted funds flow from (used in) operations to cash flow from (used in) operating activities, which is the most directly comparable measure presented in accordance with IFRS.

Adjusted working capital is a capital management measure calculated by taking working capital (current assets less current liabilities) and adding back the warrant liability and decommissioning obligations. Management believes that adjusted working capital assists management and investors in assessing Tuktu's short-term liquidity. See the MD&A for a detailed calculation and reconciliation of adjusted working capital to working capital, which is the most directly comparable measure presented in accordance with IFRS.

Abbreviations

bbl	barrels of oil

bbl/d	barrels of oil per day
boe	barrels of oil equivalency
boe/d	barrels of oil equivalency per day
mcf	one thousand cubic feet
mcf/d	one thousand cubic feet per day
TSXV	TSX Venture Exchange

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

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.