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NEW STRATUS ENERGY COMPLETES ACQUISITION OF SHARES OF REPSOL ECUADOR S.A. FROM AFFILIATES OF REPSOL S.A.

Calgary, Alberta, January 14, 2022 – New Stratus Energy Inc. (TSX.V - NSE) (“New Stratus” or the “Corporation”) is pleased to announce that further to its news release dated October 20, 2020 ([link](#)), it has closed the previously disclosed transaction with affiliates of Repsol S.A. (the “Sellers”) for the transfer of the shares (“Shares”) of Repsol Ecuador S.A. to New Stratus (the “Transaction”) on terms equivalent to those previously disclosed. The Corporation now holds an indirect 35% operated working interest in service contracts (the “Service Contracts”) for Blocks 16 and 67 in Ecuador (the “Blocks”) and Repsol Ecuador S.A., now a wholly-owned subsidiary of New Stratus, remains the operator of the Blocks.

Transaction Highlights:

- Gross production as of January 5, 2022 on the Blocks was 14,306 barrels of oil per day (bopd) (5,007 bopd net).
- Gross proved plus probable reserves of 4.506 million barrels of oil (1.577 million barrels of oil net).¹ In accordance with the COGE (Canadian Oil and Gas Evaluation) handbook reserves can be booked only to the end of the term of the current service contract which expires in December 2022 rather than the remaining economic life of the Blocks.
- Significant production potential remains in the Blocks and the Corporation has previously announced plans to spend approximately US\$200 million in 2022 and 2023 to drill approximately 30 development wells, following the completion of negotiations with the Government of Ecuador to extend rights to the Blocks through a production sharing contract. Upon the extension of rights to the Blocks, a new reserve report will be commissioned that will reflect reserves to the end of the newly negotiated contract.
- In conjunction with the closing of the transaction, New Stratus is pleased to announce that Mr. Ramiro Paez, Director of the Ecuador Business Unit for Repsol

¹ See Reserves Advisory, below.

has agreed to join New Stratus in the same role. Mr. Paez is a mechanical engineer and has over 40 years of international oil & gas experience in Indonesia, Spain, Libya, Venezuela and then recently with Repsol in Ecuador. Mr. Paez will be a fundamental figure in New Stratus' continued development in Ecuador.

Blocks 16 and 67

The Corporation now holds a 35% operated working interest in the Service Contracts for the Blocks, which are located in the Orellana Province in the prolific Oriente Basin in Ecuador. The Blocks have a long history of production, with a total of 262 wells drilled, and excellent seismic coverage. This has contributed to substantial knowledge of the area's characteristics, properties, distribution of reservoirs, production mechanisms, and additional exploration opportunities.

The Blocks are comprised of 9 fields, with gross production as at January 5, 2022 of 14,306 bopd (5,007 bopd net) at an average gravity of 15.5° API. The Blocks have accumulated primary production of approximately 373 million barrels of oil.

Existing infrastructure includes two oil and water processing centers with a capacity of 75,000 bopd and 900,000 barrels of water per day, with all the water production being reinjected into 30 wells. Additional area infrastructure includes electricity generation plants and a topping plant which produces diesel used to power operations.

The oil produced in the fields is moved by a 16-inch pipeline to Lago Agrio, where it is loaded into the Oleoducto de Crudos Pesados Ecuador S.A. pipeline and transported to a port on the Pacific Ocean.

Tariffs are governed by the Service Contracts and a portion of such tariffs is indexed to US CPI/PPI. While the existing Service Contracts expire in December 2022, significant production potential remain in the Blocks and the Corporation has previously announced plans to spend approximately US\$200 million in 2022 and 2023 following the completion of negotiations with the Government of Ecuador to extend rights to the Blocks through a production sharing contract.

The Blocks include commitments to minimize the environmental impact of operations, to maintain high standards of safety, and to undertake long-term investments for the benefit of local communities.

Reserves

The net reserves attributable to the Blocks as of November 30, 2021 through to the expiry of the Service Contracts in December 2022 are as follows:

- **1P:** 1.556 mmbbls
- **2P:** 1.577 mmbbls

New Stratus is committed to maintaining stability for all employees of Repsol Ecuador S.A. in accordance with contractual commitments. Furthermore, New Stratus is

committed to continue supporting the communities in the area of influence of the Blocks and will continue complying with all the commitments that Repsol Ecuador S.A. has made to the neighboring communities, as established by Ecuadorian law and in agreement with the Waorani Nation of Ecuador.

The Corporation looks forward to continued dialogue with the Ministry of Energy and Non-Renewable Natural Resources in Ecuador on the contract conversion, contract extension and applicable capital expenditure program.

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Forward-Looking Information

Certain information set forth in this news release constitutes “forward-looking statements”, and “forward-looking information” under applicable securities legislation (collectively, “**forward-looking statements**”). All statements other than statements of historical fact are forward-looking statements. Forward-looking statements may be identified by the use of conditional or future tenses or by the use of words such as “will”, “expects”, “intends”, “may”, “should”, “estimates”, “anticipates”, “believes”, “projects”, “plans”, and similar expressions, including variations thereof and negative forms. Forward-looking statements in this press release include expectations about management’s expectations with respect to the Transaction and plans with respect to drilling and operations on the Blocks, expectations regarding capital investment in the Blocks, the extension of the term of the Blocks, the commission of a new reserves report, and entering into a production sharing contract with the Government of Ecuador in respect of the Blocks, and are based on the Corporation’s current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Forward-looking statements are not guarantees of future performance and undue reliance should not be placed on them. In respect of the forward-looking statements contained herein, the Corporation has provided them in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the ability of the Corporation to receive, in a timely manner, the ability of the Corporation to negotiate extension to the term of the Blocks and enter into production sharing contracts with the Government of Ecuador, and the ability of the Corporation to obtain debt financing on satisfactory terms, some or all of which may prove to be incorrect. Accordingly, readers should not place undue reliance on the forward-looking statements contained herein. Such forward-looking statements necessarily

involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: the ability to successfully integrate operations and realize the anticipated benefits of the Transaction; incorrect assessments of the value of the Transaction; changes in commodity prices and currency exchange rates; currency and interest rate fluctuations; the ability to secure adequate debt financing; and management's ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. New Stratus undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. New Stratus has included the above summary of assumptions and risks related to forward-looking statements provided in this news release in order to provide readers with a more complete perspective on the Transaction and such information may not be appropriate for other purposes. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits may be derived therefrom.

Reserves Advisory

This news release includes reserves information attributable to the Blocks effective as of November 30, 2021 prepared by Petrotech Engineering Ltd., which is an independent qualified reserves evaluator. The reserves information was prepared in accordance with the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities.

Statements relating to reserves and resources are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated. The reserve and resource estimates described herein are estimates only. The actual reserves and resources may be greater or less than those calculated.

Estimates of net present values of future net revenue, whether calculated with or without a discount rate, do not represent the fair market value of reserves.

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