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**NEW STRATUS ENERGY ANNOUNCES LOI WITH BAKER HUGHES**

**Calgary, Alberta, May 20, 2022** – New Stratus Energy Inc. (TSX.V: NSE) ("**New Stratus**" or the "**Corporation**") is pleased to announce the execution of a letter of intent (the "**LOI**") with Baker Hughes Services International, S.A.S. ("**Baker Hughes**"), an energy technology company with a global presence, including in Ecuador. As previously disclosed on November 19, 2021, New Stratus, through Petrolia Ecuador S.A. (former Repsol Ecuador S.A.), as operator, intends to invest approximately \$200 million in 2022 and 2023 to drill/recomplete development wells on Blocks 16 and 67 in Ecuador (the "**Blocks**") following the completion of negotiations with the Government of Ecuador to extend rights to the Blocks through a production sharing contract.

The LOI will formalize New Stratus' and Baker Hughes' ongoing negotiations of one or more agreements governing the proposed strategic relationship with respect to the drilling program and the development of the Blocks 16 and 67 and other potential projects in the Eastern Basin of Ecuador.

Pursuant to the terms of the LOI, New Stratus and Baker Hughes will potentially enter into a preferred supplier agreement (the "**Preferred Supplier Agreement**") and a technical services agreement (the "**Technical Services Agreement**").

The terms of the potential Preferred Supplier Agreement may include the provision of services not limited to drilling, completion, intervention, abandonment of wells, and artificial lift systems from Baker Hughes to New Stratus

The terms of the Technical Services Agreement may include the technical evaluation of the reservoir, technical services and engineering support for drilling and workover development campaign to New Stratus.

The completion of the transactions and matters contemplated in the LOI remains subject to New Stratus and Baker Hughes entering into definitive agreements and signatures of the Preferred Supplier Agreement and/or Technical Services Agreement; and the approval of all internal and potentially external regulatory authorities that may apply.

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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 the consummation of a potential strategic relationship between New Stratus and Baker Hughes and the execution and entering into a Preferred Supplier Agreement and a Technical Services Agreement, the final terms thereof, and the timing thereof; management’s expectations with respect to the Preferred Supplier Agreement and Technical Services Agreement and plans with respect to drilling and operations on the Blocks; the extension of the term of the Blocks, entering into a production sharing contract with the Government of Ecuador; and are based on New Stratus 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, New Stratus has provided them in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the ability of New Stratus to receive, in a timely manner, the regulatory approvals, the ability of New Stratus to negotiate extension to the term of the Blocks and enter into production sharing contracts with the Government of Ecuador, and the ability of New Stratus to agree with Baker Hughes on satisfactory terms for the Preferred Supplier Agreement and/or the Technical Services Agreement, 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: risks and uncertainties relating to the completion of the Preferred Supplier Agreement and/or the Technical Services Agreement as described herein; changes in commodity prices and currency exchange rates; currency and interest rate fluctuations; the ability of New Stratus to agree to an extension to the rights to the Blocks through a production sharing contract; 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 LOI 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.