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NEW STRATUS ENERGY AND EP PETROECUADOR ENTER INTO MEMORANDUM OF UNDERSTANDING TO DEVELOP MEGABLOCK IN EASTERN ECUADOR

Calgary, Alberta, June 6, 2022 – New Stratus Energy Inc. (TSX.V - NSE) (“**New Stratus**” or the “**Corporation**”) is pleased to announce that Ecuador’s state-owned oil company, “**EP Petroecuador**”, has entered into a Memorandum of Understanding (“**MOU**”) with New Stratus with the purpose of optimizing and speeding up the development and production of its oil fields in blocks 43 (ITT) and 31, minimizing the environmental impact, during a joint meeting between authorities of the Government of Ecuador, EP Petroecuador and the Corporation held on June 5th 2022.

The MOU outlines the basic elements of a cooperative effort to develop stranded oil and gas production from Blocks 43 and 31 — both operated by EP Petroecuador — with the objective of increasing oil production from current levels of approximately 60,000 barrels of oil per day (bopd) to approximately 250,000 bopd over the next 5 years. Blocks 43 and 31 include the giant Ishpingo-Tambococha-Tiputini (ITT) oilfields which are the cornerstone of the government’s plan to double the country’s current oil production to 1.0 million bopd.

New Stratus, through its wholly owned subsidiary Petrolia Ecuador S.A., is the operator of Blocks 16 and 67 currently producing in the order of 15,500 bopd. The existing infrastructure of Blocks 16 and 67, including power generation, excess processing and pipeline export capacity, will be an essential element of the joint effort strategy outlined in the MOU. The estimated investments associated with the MOU’s plan exceed US\$1.2 billion.

MOU Highlights:

- Execution of the MOU plan is conditional to the government and New Stratus completing negotiations for the migration to PSC (Production Sharing Contracts) and extension of the current service contracts for Blocks 16 and 67. The term of the current contracts expires on December 31, 2022.
- The development plans seek a minimal carbon footprint in Blocks 43 and 31 by optimizing utilization of existing infrastructure capacity in Block 16.

- The estimated US\$1.2 billion investment, to be secured by New Stratus, will finance the drilling and completion of more than 200 wells planned by EP Petroecuador in Blocks 43 and 31, along with the construction of ecological energy corridors¹ to connect these blocks with Block 16 facilities, as well as the provision of all associated support services including reservoir studies, project management and environmental protection activities.
- For the services to be provided, New Stratus will receive a negotiated payment-in-kind from EP Petroecuador, at the point of crude export in the Pacific coast.
- It is estimated that the project will provide more than 30,000 direct jobs to Ecuadorian workers and stimulate additional oil investment in the country.

Blocks 16 and 67

The Corporation holds a 35% operated working interest in the Service Contracts for Blocks 16 and 67, 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 May 22, 2022 of 15,491 bopd (5,422 bopd net) at an average gravity of 18° 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. 36-inch pipeline and transported across the Andes mountains to the port of Balao on the Pacific Ocean.

The Blocks include contractual 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 such as the Waorani Nation of Ecuador.

The Corporation looks forward to continued dialogue with the Ministry of Energy and Mines in Ecuador to complete the contracts conversion, extension and applicable capital expenditure program.

The completion of the transactions and matters contemplated in the MOU remains subject to New Stratus and EP Petroecuador entering into definitive agreements, and the approval of all internal and potentially external regulatory authorities that may apply.

¹ Buried conduits for oil and water pipelines, power transmission cabling and optical cable for data in the same right-of-way.

Contact Information:

Jose Francisco Arata
Chairman & Chief Executive Officer
ifarata@newstratus.energy

Wade Felesky
President & Director
wfelesky@newstratus.energy

Mario Miranda
Chief Financial Officer
mmiranda@newstratus.energy – (416) 363-4900

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 the transactions underlying the MOU, the timing thereof and the final terms thereof; expectations regarding the extension of the term of Blocks 16 and 67 and entering into a production sharing contract with the Government of Ecuador in respect of Blocks 16 and 67; plans with respect to drilling and operations on Blocks 43 and 31; plans with respect to drilling and operations on Blocks 16 and 67; expectations regarding capital investment in Blocks 43 and 31, and the ability to obtain financing on acceptable terms or at all; 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 agree with EP Petroecuador on definitive agreements underlying the intent of the MOU, 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 transactions contemplated by the MOU; incorrect assessments of the value of the transactions contemplated by the MOU;

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 transactions contemplated by the MOU 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.

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