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NEW STRATUS ENERGY ANNOUNCES RECORD QUARTERLY REVENUE, FUNDS FLOW, EBITDA, CASH & WORKING CAPITAL

Calgary, Alberta, August 29, 2022 – New Stratus Energy Inc. (TSX.V - NSE) (“**New Stratus**” or the “**Corporation**”) is pleased to announce its financial and operating results for the three months ended June 30, 2022.

Quarterly Highlights

- Record quarterly revenue of \$33.2 million
- Record quarterly funds flow from operations¹ of \$20.8 million (\$0.18 per share)
- Record quarterly adjusted EBITDA¹ of \$19.7 million (\$0.17 per share)
- Ended the quarter with a cash balance of \$26.4 million (\$0.24 per share) and working capital of \$43.2 million (\$0.38 per share).

(1) This is a non-GAAP financial measure or non-GAAP ratio. Refer to the disclosure under the heading "Non-GAAP and Other Financial Measures" within press release.

The three months ended June 30, 2022 marked the Corporation’s second quarter following the acquisition of 100% of the shares of Repsol Ecuador S.A., which closed on January 14, 2022 (the “Acquisition”). In a robust commodity environment, New Stratus was able to achieve record financial results for the quarter, including revenue, funds flow from operations, adjusted EBITDA, cash and working capital. The record results were achieved despite an 18-day nationwide labour strike which was resolved at the end of June.

Financial and Operational Summary

<i>(in Canadian dollars, expect per share information)</i>	Three months ended June 30, 2022	Three months ended March, 2022
Revenue	\$33,226,400	\$25,712,107
Funds Flow from Operations⁽¹⁾	\$20,781,579	\$(335,866)
Per Share – Basic	\$0.18	\$(0.01)
Per Shares – Diluted ⁽²⁾	\$0.16	\$(0.01)
Adjusted EBITDA⁽¹⁾	\$19,682,227	\$13,352,418
Per share – Basic	\$0.17	\$0.13
Per Share – Diluted ⁽²⁾	\$0.15	\$0.11
Net Income	\$14,012,354	\$18,117,270
Per share – Basic	\$0.12	\$0.18
Per Share – Diluted ⁽²⁾	\$0.11	\$0.15
Cash & Cash Equivalents	\$26,428,843	\$15,474,166
Working Capital	\$43,155,796	\$29,145,628
Operating		
Average Daily Production		
Heavy Crude Oil (bopd)	5,379	5,305
Consumption Oil (bopd)	941	732
Sales production	4,438	4,573
Operating Netback ⁽³⁾ (C\$/bopd)		
Service Tariff	\$49.55	\$48.41
Carry forward recovery	\$34.58	\$17.08
Net Revenue	\$84.13	\$65.49
Production Costs	\$23.57	\$22.85
Netback ⁽¹⁾	\$60.56	\$42.64

(1) Non-GAAP financial measure. Refer to “Non-GAAP and Other Financial Measures” within press release.

(2) Includes in-the-money dilutive instruments as at June 30, 2022 which include 9,390,000 stock options with a weighted average exercise price of \$0.21 and 37,099,304 warrants with a weighted average exercise price of \$0.32.

(3) Non-GAAP ratio. Refer to “Non-GAAP and Other Financial Measures” within press release.

Environmental and Social Responsibility

The Corporation also provided in its management’s discussion and analysis, its Environmental, Social and Governance (ESG) performance including information relating to operations in Ecuador and how New Stratus is helping mitigate potential non-financial risks emanating from the oil fields.

Environmental

The operation of Blocks 16 and 67 (Tivacuno) takes place in an area of great environmental sensitivity, which partially coincides with the Yasuní National Park, located in the Amazon jungle of Ecuador.

NSE continues making improvements in the design and efficiency of the operational processes in Ecuador, with the goal to enhance environmental performance. We are reviewing practices such as cluster drilling (multiple wells drilled per location), directional

and horizontal drilling, centralized production facilities, injection wells for handling produced water, construction of centralized industrial facilities, roads and right of way with minimization of the use of areas (reduction of deforestation) incorporated from the beginning. Thus, the area occupied by industrial facilities, internal roads and right of way is only 0.26% (367 hectares) of the total concession area (138,800 hectares).

Social

Blocks 16 and 67 (Tivacuno) are in the Waorani and Kichwa indigenous communities. To balance the opportunities that the communities have for a better quality of life, prior operators signed a collaboration agreement with N.A.W.E (Nacionalidad Waorani del Ecuador) in the Waorani community. The agreement focuses on the following four broad matters: health, education, support to N.A.W.E. management and community leaders and, support to the development of communities.

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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 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, 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. 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. 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.

Non-GAAP and Other Financial Measures

This news release contains the financial terms "Adjusted EBITDA", "Funds flow from operations" and "Operating Netback" that do not have a standardized definition under International Financial Reporting Standards ("IFRS"). These financial measures, together with measures prepared in accordance with IFRS, provide useful information to investors and shareholders, as management uses them to evaluate the operating performance of the Corporation. The Corporation's determination of these non-IFRS measures may differ from other reporting issuers, and therefore are unlikely to be comparable to similar measures presented by other companies. Further, these non-IFRS measures should not be considered in isolation or as a substitute for measures of performance or cash flows prepared in accordance with IFRS.

For a reconciliation and details on Non-GAAP measures, see the Company's management's discussion and analysis for the three months ended June 30, 2022.

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