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NEW STRATUS ENERGY PROVIDES UPDATE ON ECUADOR ASSETS AND ANNOUNCES INTENTION TO PURSUE INTERNATIONAL ARBITRATION

Calgary, Alberta, December 5, 2022 – New Stratus Energy Inc. (TSX.V - NSE) (“**New Stratus**” or the “**Corporation**”) announces that following a meeting in Quito, Ecuador among the Corporation and the President of Ecuador, Guillermo Lasso and his Minister of Energy, Fernando Santos, the Government of Ecuador (the “**Government**”) informed the Corporation and its advisors that it does not intend to fulfill its legal and contractual obligation to appoint the required Negotiations Committee for the extension and migration of the contracts for Blocks 16 & 67. Therefore, the contracts for Blocks 16 & 67 will expire on December 31, 2022. As a direct result of the legal, political and other measures taken by the Government, the Corporation will be pursuing its legal and contractual rights through formal international arbitration.

Having acted in good faith throughout 18 months of discussions with the Government, the Corporation is shocked by this sudden change of posture of the President, who in several previous meetings had welcomed and encouraged the Corporation’s plans to pursue the contractual extensions. The President and Minister clearly indicated to the Corporation that this decision is politically motivated. As such the decision shall certainly discourage foreign direct investment in Ecuador given the Government’s lawless interpretation of the contracts, a clear and blatant infringement of the rule-of-law.

Corporate Updates

- The Corporation expects to finish the calendar year with approximately CAD \$0.30 per share in cash and short term receivables.
- The Corporation’s working interest partners are being notified of this legal non-compliance by the Government.
- The Corporation will file a legal demand against the Government under International Arbitration. The Corporation commits to pursue its legal and contractual rights with minimal cash dilution to shareholders.
- The Corporation commits to be a steward of its remaining capital as it pursues new opportunities.
- The Corporation maintains a strategic alliance with Baker Hughes which, in the short term, will result in new business opportunities outside of Ecuador.

We are deeply saddened to share this news with our trusted shareholders. The development of the remaining reserves of Blocks 16 and 67 required both additional investment and technical expertise which the Corporation is well-positioned to provide. The Corporation’s proposed

development plan would have produced significant benefits for Ecuador and the Waorani Nationality by way of revenues, employment and social benefits.

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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.

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