



# NEW STRATUS ENERGY ANNOUNCES RESULTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND OPERATIONS UPDATE

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**Calgary, Alberta, November 29, 2024** – New Stratus Energy Inc. (TSX.V - NSE) (“New Stratus”, “NSE” or the “Corporation”) is pleased to announce the consolidated financial and operating results for the three and nine months ended September 30, 2024 that have been filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

## Q3 September 30, 2024 Highlights:

• Adjusted Working Capital <sup>(1)(4)</sup> :	\$7,276,143 (\$0.05 per basic common share)
• Net Income (Loss) (Basic & Fully Diluted) <sup>(2)</sup> :	(\$1,802,602) ((\$0.02) per common share)
• Income from Investment in Joint Venture:	\$1,310,727
• Adjusted EBITDA <sup>(3)(4)</sup> :	\$5,516,665

### Notes:

- (1) Assumes the exercise of 5,120,000 options.
- (2) In accordance with GAAP, Net income (loss) per basic & fully diluted share are the same in a loss position.
- (3) As per certain contractual provisions, GoldPillar is entitled to revenues from procurement, trading, financing as well as operations. See full disclosure in Section 5 “Quarterly Review” of the MD&A. The Soledad acquisition final closing was September 30, 2024, although NSE has 49% economic entitlement as of May 1, 2024. Also includes correction factor income recognized in the quarter from the Government of Ecuador.
- (4) This is a non-GAAP financial measure. Refer to the disclosure under the heading “Non-GAAP Financial Measures” for more information on each non-GAAP financial measure.

## Third Quarter Summary:

NSE reports our third quarter of operations from GoldPillar as well as our second quarter of operations at Soledad, with NSE’s economic interest having begun there on May 1, 2024. The Corporation’s net production as at September 30, 2024 was 1,131 boepd (1,029 boepd from Soledad and 102 boepd from GoldPillar).

## Investment in Soledad

As of September 30, 2024, NSE has recorded an investment of \$64.4 million in the operating company Operaciones Petroleras Soledad (“OPS”) as follows:

- \$20.2 million advanced to fund initial operational and capital expenditures
- \$2.7 million in initial consideration for 49% equity in OPS
- \$40.5 million for operational and capital expenditures for 2025 and 2026
- NSE is entitled to 80% of all cashflows until total operational and capital expenditures have been recovered
- NSE's 49% equity pickup in OPS as at September 30, 2024 is \$972,925

The business opportunity for Soledad remains intact with the initial capital program scheduled to begin March 2025. The conversion from a Service Contract to a Production Sharing Agreement with Pemex has had some expected and unexpected delays, however we remain excited about the prospectivity of the asset and look forward to increasing our working interest to 90% by the end of 2025.

#### Investment In GoldPillar

As of September 30, 2024 NSE has recorded an investment of \$21,346,823 in the operating company Desarrolladora de Oriente "DDO" as follows:

- \$0.5 million in required capital costs
- \$3.4 million in consideration paid to the beneficial owner of DDO
- \$7.4 million in finders fees payable starting in May 2024
- \$5.4 million required capital costs
- NSE's share of the equity pickup as at September 30,2024 is \$4,639,305

Unfortunately the business opportunity for GoldPillar has not performed in accordance with management's expectations. Despite the huge development opportunity and historical production of over 60,000 boepd, the economic and social conditions have deteriorated so significantly that the stated business case in its current form is unattainable. NSE is working on various solutions to maximize value at GoldPillar despite the extremely challenge conditions. A resolution of this matter is expected within the next month.

Finally, as stated in the Q2 news release, NSE continues to work with the Government of Ecuador to find a resolution to its dispute and appropriate remedies as is outlined in the notice of arbitration filed in 2022. A positive resolution is expected within the next month.

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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 news release include, among others, the schedule for the initial capital program for Soledad, the conversion of the Service Contract at Soledad into a Production Sharing Agreement, the intention to increase the Corporation’s working interest at Soledad to 90% by the end of 2025, the Corporation’s intention to maximize value at GoldPillar and the timing for a resolution thereto, and the outcome of negotiations with the Government of Ecuador and the timing thereof. Forward-looking statements 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. These risks and uncertainties include, but are not limited to: the timing for conducting planned operations and the results of such operations, including flow rates and resulting production; the availability of the requisite personnel and equipment to conduct operations; the ability to successfully integrate operations and realize the anticipated benefits of acquisitions; the ability to increase production, and the anticipated cost associated therewith; changes in government regulations; changes in commodity prices and currency exchange rates; interest rate fluctuations; the ability to secure adequate equity and 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. 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.

### **Oil and Gas Advisory**

References in this news release to production rates or initial performance measures relating to new wells or recompleted wells are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Corporation. Accordingly, the Corporation cautions that the test results should be considered to be preliminary.

Barrels of oil equivalent (boes) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 thousand cubic feet (Mcf) per 1 barrel (bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a 6:1 conversion basis may be misleading as an indication of value.

### **Non-GAAP Financial Measures**

This news release uses the terms "Adjusted EBITDA" which is a non-GAAP financial measure and the term "Adjusted Working Capital" which is a capital management measure. These financial and other measures do not have a standardized prescribed meaning under GAAP and these measures may not be comparable with the calculation of similar measures disclosed by other entities. See "Non-GAAP and Other Financial Measurements" in the most recent Management's Discussion and Analysis for more information on the definition and description of these terms.

"Adjusted EBITDA" (earnings before interest, taxes, depreciation and amortization) is used by management to analyze the Corporation's profitability based on the Corporation's principal business activities prior to how these activities are financed, how assets are depreciated, amortized and impaired, and how the results are taxed. The Corporation does not deem these to relate to the performance of its principal business. Adjusted EBITDA is not intended to represent net profit (or loss) as calculated in accordance with IFRS.

"Adjusted Working Capital" is used by management for its own performance measure to provide shareholders and potential investors with a measurement of the Corporation's liquidity. Adjusted Working Capital assumes the exercise of warrants and options which were "in the money", and includes such options and warrants in the calculation weighted average basic common shares outstanding to determine the Adjusted Working Capital per share.

***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.***