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NEW STRATUS ENERGY ANNOUNCES AWARD OF A TRANSFORMATIVE PRODUCTION SHARING CONTRACT FOR A SIGNIFICANT OIL FIELD IN ECUADOR, FUNDING AND OFFTAKE AGREEMENT, AND CONCURRENT OFFERINGS

Calgary, Alberta, March 3, 2025 - New Stratus Energy Inc. (TSX.V - NSE) ("New Stratus", "NSE" or the "Corporation") is pleased to announce that a consortium formed by subsidiaries of Sinopec International Petroleum E&P Corporation (60%) ("Sinopec") and New Stratus (40%) (the "Consortium") has reached an agreement for an award by the Ministry of Energy and Mines of Ecuador ("MEM") of a 20-year (renewable) production sharing contract (the "PSC") for crude oil production and additional exploration relating to Block 60 in Ecuador, also known as the "Sacha Block", for an upfront cash entry bonus of US$1.5 billion (US$600 million payable by NSE). Formal execution of the PSC ("PSC Execution") by the Consortium and MEM is expected to occur in March 2025 and upon which the Corporation will acquire a 40% interest (the "Acquired Interest") in the Sacha Block.

Highlights:

- Average production in 2024 for the Sacha Block was approximately 77,191 barrels per day (bbl/d) of medium oil (25 degrees API gravity). Average gross production(1) in 2024 attributable to the Acquired Interest was approximately 30,876 bbl/d, implying US$19,433 per flowing barrel.

- The average prices for WTI and Oriente Blend in December 2024 were US$70.12 and US$64.11, respectively. Currently, production from the Sacha Block receives a positive quality adjustment over Oriente Blend pricing of approximately US$2.50. Accordingly, using average production for December 2024 of 73,711 bbl/d, gross revenue(2) for the month of December 2024 attributable to the Acquired Interest was approximately US$60.9 million (approximately C$87.7 million).

- As at December 31, 2024, proved developed producing ("PDP") gross reserves(3) for the Acquired Interest are estimated at 67.8 million barrels, implying US$8.85 per barrel.

- As at December 31, 2024, before-tax PDP reserve net present value of future net revenue(4) at a 10% discount rate ("PDP NPV 10") for the

Acquired Interest is estimated at US$2.4 billion (approximately C$3.5 billion), implying 0.25x before-tax PDP reserve net present value. The before-tax PDP NPV10 for the Acquired Interest is described in more detail in the chart below and implies a 1.13x before-tax PDP NPV10 for 2025.

Period Ending December 31,	**PDP NPV10(4) for Acquired Interest**
2025	US$ 530.8 million
2026	US$ 413.1 million
2027	US$ 317.7 million
2028-2044	US$1,148.4 million
Total	**US$2,410.1 million(5)**

PSC Award and Terms

On February 28, 2025, the official Committee for Hydrocarbons Tenders formed by the MEM, the Ministry of Finance and a representative of the President of Ecuador, approved the PSC and recommended to the MEM to grant the PSC to the Consortium. The PSC Execution by the Consortium and MEM is expected to occur in March 2025 and upon the Consortium paying an upfront cash entry bonus (“Entry Bonus”) to the Republic of Ecuador in the amount of US$1.5 billion (approximately C$2.2 billion), or US$600 million (approximately C$864 million) payable by NSE in accordance with its Acquired Interest.

The PSC will be awarded for an initial 20-year term (the “Initial Term”) and pursuant to which the Consortium shall receive a share of production (known as the “X Factor”) calculated on a sliding scale basis depending on the prevailing Oriente Blend price (which is correlated to the price of WTI). At a WTI price of US$65 per barrel, the government production share is anticipated to be 18%, resulting in a Consortium production share, or X Factor, of 82%.

In addition to the Entry Bonus, the Consortium has agreed to invest (the “Capital Investment”) amounts in excess of US$1.7 billion (approximately C$2.4 billion) during the Initial Term to finance a development plan approved by MEM (the “Approved Development Plan”). The Corporation’s share of the Capital Investment is approximately US$680 million (approximately C$979 million), of which approximately US$64 million (approximately C$92 million) and US$159 million (approximately C$229 million) are expected to be invested in 2025 and 2026, respectively. NSE expects to fund its share of the Capital Investment primarily through cash flow from operations, as well as from additional debt financing. The objectives of the Approved Development

Plan are, among other things: (i) to replace and upgrade current facilities; (ii) for the expansion and construction of new facilities; (iii) for drilling new wells, workovers, recompletions, and water injection wells; (iv) for the drilling of two exploration wells; (v) for projects to eliminate gas flaring; and (vi) for secondary recovery which is intended to take the current oil recovery rate from 23% to 30%.

No other royalties, or other similar production share arrangements, are payable and all operating expenses, capital expenses and taxes are on the account of the Consortium.

The PSC Execution is subject to customary approval by the TSX Venture Exchange ("TSXV"). No finder's fee is payable in connection with the PSC. The PSC, and the transactions contemplated thereby, are arm's length.

Ecuadorian Regulatory Framework

The Ecuadorian government recently implemented policies to optimize the production from its oil and gas assets and aimed at attracting private investment, including reinstating production sharing contracts pursuant to the country's Hydrocarbons Law and the 2018 executive decree no. 449. In accordance with the reinstated production sharing contracts, the Ecuadorian government may enter into production sharing contracts whereby the investing entity receives a share of the oil produced. The term for a production sharing contract is generally four years for exploration (extendable for two additional years) and 20 years for production, subject to an extension if reserves have been added and new investments are committed. The PSC includes the continuation and increase of production by the Consortium, as well as additional exploration in the Sacha Block.

Sacha Block

With an approximate area of 355 km^2 and located in Central Ecuador, the Sacha Block has been operated by EP Petroecuador since 1990. The Sacha Block main reservoir is the Lower Cretaceous Hollin sandstone, with secondary reservoirs in the Upper Cretaceous Napo 'T' and 'U' sands.

Pursuant to the PSC, the Consortium has committed to increase production for the Sacha Block to over 105,000 bbl/d by the end of 2029 (the "Production Increase") and intends to achieve the Production Increase by providing the Capital Investment and completing the Approved Development Plan.

Acquired Interest Funding

NSE's portion of the Entry Bonus will be satisfied through a combination of the following funding sources: (i) a funding and off-take agreement with a leading global off-taker (the "Off-Taker") in the amount of US$480 million (approximately C$691 million); (ii) the Subscription Receipt Offering (as defined below) for aggregate gross proceeds of approximately US$70 million (C$100 million); (iii) the Common Share Offering (as defined below) for aggregate gross proceeds of approximately US$10 million (C$14 million); and (iv) additional amounts through a combination of debt, convertible debt or other equity financing sources (collectively, the “Additional Financing”).

Off-take Mandate and Senior Secured Prepayment Facility

NSE has appointed the Off-Taker as exclusive mandated lead arranger of an up to US$480 million (approximately C$691 million) senior secured prepayment facility (the “Facility”) and exclusive off-taker. The Facility has a cost of SOFR + 9.5%, a five-year final maturity date, and a minimum amortization equal to 1/16th of the original principal amount per quarter after a one-year grace period. As exclusive off-taker, the Off-Taker will have the right to purchase NSE’s share of the production from the Sacha Block for five years.

Concurrent Offerings

NSE intends to complete brokered private placements of (i) subscription receipts of the Corporation (“Subscription Receipts”) for gross proceeds of up to approximately US$70 million (C$100 million) (the “Subscription Receipt Offering”); and (ii) common shares of the Corporation (“Common Shares”) for gross proceeds of up to approximately US$10 million (C$14 million) (the “Common Share Offering” and together with the Subscription Receipt Offering, the “Concurrent Offerings”). The number of Subscription Receipts and Common Shares to be sold, the offering price (the “Offering Price”) of the Subscription Receipts and Common Shares, and the terms of the Concurrent Offerings will be determined in the context of the market. NSE expects to issue a subsequent news release containing the final terms of the Concurrent Offerings following the time of pricing.

New Stratus has received lead indications of interest: (i) for the Common Share Offering from a U.S.-based energy specialist institutional investor; and (ii) for the Subscription Receipt Offering from a group of global energy specialist institutional investors, all based on an expected Offering Price reflecting the customary discount to the trading price for financings of this nature.

The Concurrent Offerings are being co-led by Ventum Financial Corp. (“Ventum”) and Cormark Securities Inc. (“Cormark” and together with Ventum, the “Lead Agents”) on their own behalf, and in respect of the Subscription Receipt Offering, on behalf of a syndicate of agents (the “Agents”). Each Subscription Receipt will entitle the holder thereof to automatically receive, without payment of any additional consideration or further action on the part of the holder, one Common Share upon completion of certain escrow release conditions in accordance with the terms of a subscription receipt agreement to be entered into between the Corporation, the Lead Agents and Odyssey Trust Company, as subscription receipt agent (the “Subscription Receipt Agent”), including, among other things, the completion of all conditions precedent to the PSC Execution other than payment of the Entry Bonus.

In addition, NSE will grant the Agents an option (the “Agents’ Option”) to increase the size of the Subscription Receipt Offering by up to 15% by giving written notice of the exercise of the Agents' Option, or a part thereof, to NSE at any time up to 48 hours prior to closing of the Subscription Receipt Offering.

In consideration for their services, the Agents will receive a commission equal to 6.0% of the gross proceeds (the "Subscription Receipt Commission") of the Subscription Receipt Offering and the Lead Agents will receive a commission equal to 6.0% of the gross proceeds of the Common Share Offering.

The proceeds from the sale of the Subscription Receipts less 50% of the Subscription Receipt Commission and the Agents' expenses incurred in connection with the Subscription Receipt Offering (the "Escrowed Proceeds") will be held by the Subscription Receipt Agent. If (i) an escrow release notice and direction is not delivered to the Subscription Receipt Agent prior to by 5:00 p.m. (Calgary time) on May 15, 2025; (ii) the Corporation gives notice to the Agents that it does not intend to proceed with the PSC Execution; or (iii) the Corporation announces to the public that it does not intend to proceed with the PSC Execution (each, a "Termination Event" and the time of the earliest of such Termination Event to occur, the "Termination Time" and the date on which such Termination Time occurs, the "Termination Date"), the Subscription Receipt Agent will pay to each holder of Subscription Receipts, no earlier than the third business day following the Termination Date, an amount per Subscription Receipt equal to the issue price in respect of such Subscription Receipt, plus such holder's proportionate share of any interest and other income received or credited on the investment of the Escrowed Proceeds between the closing date and the Termination Date.

The securities to be issued under the Concurrent Offerings will be offered by way of private placement in (i) all of the provinces of Canada, (ii) the United States and (iii) such other jurisdictions as may be determined by the Corporation, in each case, pursuant to applicable exemptions from the prospectus requirements under applicable securities laws. The Concurrent Offerings are expected to close on or about March 25, 2025, subject to TSXV approval and other customary closing conditions.

The securities issued pursuant to the Concurrent Offerings, and any securities issued on exchange or conversion thereof, are subject to a statutory four-month hold period from the date(s) of closing of the Concurrent Offerings and applicable U.S. resale restrictions.

Additional Financing

The Corporation expects to issue a subsequent news release containing the details of the Additional Financing once an agreement has been reached in respect of same, which will include the material terms of such transaction.

Disposition of Interest in Venezuela

NSE also announces that it has entered into a termination agreement pursuant to which it has formally dissolved its joint venture for the development of four oil fields located in eastern Venezuela. This joint venture was structured through an indirect 40% equity participation in Vencupet SA, facilitated via Gold Pillar International SPC Ltd. ("GP"), a British Virgin Islands-based fund that holds 40% of Vencupet.

The Vencupet oil fields development project included a financing arrangement under which GP would provide funding for the rehabilitation of these oil wells. In return, PDVSA was to repay the financing and to compensate GP with oil produced through the assignment of crude oil shipments.

Following the termination of its joint venture, NSE has relinquished its entire equity stake in DOOG at no cost. Additionally, all shareholder loans extended by NSE to DOOG in the amount of approximately US$4.1 million have been forgiven, and all counterparty agreements and consideration arrangements have been terminated, without any further obligation or liability to NSE, except for specific compensation to GP's principal shareholder, in the event that certain anticipated project costs cannot be recovered from PDVSA within fourteen months of the termination date.

For two years from the termination, NSE will be allowed to negotiate the terms to reacquire its shareholding in DOOG and in the Vencupet project, in terms to be agreed between the Parties.

Financial Advisors

Ventum, Cormark and Horizon Partners are acting as financial advisors to the Corporation with respect to the transaction. ECM Capital Advisors Inc. is acting as strategic advisor to the Corporation with respect to the transaction.

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Notes:

(1) Average gross production attributable to the Acquired Interest is presented before any deductions relating to the government share, because the government share was not payable as at December 31, 2024. Applying an example government share of 18%, net production attributable to the Acquired Interest would have been 25,319 bbl/d.

(2) Gross revenue for December 2024 attributable to the Acquired Interest is calculated using December 2024 average production and December 2024 average pricing (being Oriente Blend pricing plus the positive quality adjustment), and is presented before any deductions relating to the government share, because the government share was not payable as at December 31, 2024. Applying an example government share of 18%, net revenue for the month of December 2024 attributable to the Acquired Interest would have been approximately US$49.9 million (approximately C$71.9 million).

(3) As at December 31, 2024, Netherland, Sewell & Associates, Inc. ("NSAI") estimates the gross PDP reserves for the Sacha Block (100% working interest) to be 169.5 million barrels. Gross reserves attributable to the Acquired Interest are based on a 40% working interest and are presented before any deductions relating to the government share.

(4) As at December 31, 2024, NSAI estimates the net present value of future net revenue before income taxes discounted at 10 percent for the PDP reserves for the Sacha Block (100% working interest) to be US$6.0 billion. Net present value of future net revenue attributable to the Acquired Interest is based on a 40% working interest and is presented before any deductions relating to the government share, because the government share was not payable as at December 31, 2024. Following the acquisition of the Acquired Interest, NSE will be required to pay the government share, which is estimated to be 18% at a WTI price of US$65 per barrel.

(5) Total value may not add due to rounding.

Note on Currency and Exchange Rates

In this news release, references to "C$" or "$" are to Canadian dollars and references to "US$" are to United States dollars. In this news release, the Corporation has used a currency exchange rate of US$1.00 = C$1.44.

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, timing of the PSC Execution; satisfaction or waiver of the conditions precedent to the PSC Execution, including the funding and payment of the Entry Bonus; receipt of required legal and regulatory approvals for the PSC Execution (including approval of the TSXV); expected production and revenue related to the Sacha Block; the anticipated dates of the PSC Execution; the terms (including the Offering Price), timing and completion of the Concurrent Offerings; the indications of interest and the lead orders for the Concurrent Offerings; the timing and completion of the Additional Financing and the terms thereof; the closing of the Facility and the terms thereof; the use of proceeds from the Concurrent Offerings, the Additional Financing and the Facility; the amount, terms and timing of the Capital Investment, and the resulting effect thereof on production levels, including the Production Increase; the terms and timing of the Approved Development Plan, and the resulting effect thereof on production levels, including the Production Increase; and the Consortium's ability to replicate past performance in the Sacha Block. 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 key expectations and assumptions made by management, including expectations and assumptions concerning the receipt of all approvals and satisfaction of all conditions to the completion of the PSC Execution, the Concurrent Offerings, and the Facility, the operational and financial performance of the Sacha Block, the geological characteristics of the Sacha Block, the availability of debt and equity financing on terms acceptable to the Corporation, the cooperation of the Consortium, prevailing weather conditions, prevailing legislation affecting the oil and gas industry, commodity prices and exchange rates.

Although NSE believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because NSE can give no assurance that they will prove to be correct. 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 associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks); risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; the impact of general economic conditions in Canada and Ecuador; prolonged volatility in commodity prices; the risk that the new U.S. administration imposes tariffs affecting the oil and gas industry in Ecuador or globally, and that such tariffs (and/or retaliatory tariffs in response thereto) adversely affect the demand for the Corporation's production, or otherwise adversely affects the Corporation's business or operations; the risk that Oriente Blend oil prices are lower than anticipated; determinations by OPEC and other countries as to production levels; the risk of changes in government policy on resource development; industry conditions including changes in laws and regulations including adoption of new environmental laws and regulations, and changes in how they are interpreted and enforced; 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; failure of counterparties to perform under contracts; changes in 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 & Gas Matters Advisory

The reserves information included in this news release attributable to the Acquired Interest has been derived from a report prepared by Netherland, Sewall & Associates, Inc. ("NSAI") effective as of December 31, 2024 (the "NSAI Report"). The reserves information was prepared in accordance with the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.

Statements relating to reserves are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated. The reserve estimates described herein are estimates only. The actual reserves may be greater or less than those calculated.

It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves. There are numerous uncertainties inherent in estimating quantities of crude oil, reserves and the future net revenues attributed to such reserves.

References in this news release to historical production rates are not indicative of long term performance or of ultimate recovery. Readers are cautioned not to place reliance on such rates in assessing the future production rates for the Corporation.

"Proved Developed Producing Reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Medium crude oil is crude oil with a relative density greater than 22.3 degrees API gravity and less than or equal to 31.1 degrees API gravity.

General Advisory

This announcement does not constitute an offer to sell or a solicitation of an offer to buy securities in the United States, nor may any securities referred to herein be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) and the rules and regulations thereunder. The securities referred to herein have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the securities may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.