# Criterium Energy Announces Transformative Acquisition of Mont D'Or Petroleum Ltd. and C$22 Million Public Offering

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June 14, 2023 - Calgary, Alberta - **Criterium Energy Ltd. ("Criterium" or the "Company") (TSXV: CEQ)**, an independent upstream energy development and production company focused in Southeast Asia, is pleased to announce that it has executed a sale and purchase agreement ("**SPA**") on June 14, 2023 to acquire all the issued and outstanding shares of Mont D'Or Petroleum Limited ("**MOPL**") (the "**Acquisition**"). MOPL holds 100% operating working interests in two Production Sharing Contracts ("**PSC**") in Indonesia, the Tungkal PSC located onshore South Sumatra which produces 1,030 bbl/d and contains 2P Reserves of 4.6 MMbbl and the West Salawati PSC located in Southwest Papua that produces 20 bbl/d and contains 2P Reserves of 0.1 MMbbl[1]. Collectively, Tungkal and West Salawati have been independently valued at US$58 million NPV10[1] after tax.

This transformative acquisition will establish Criterium as an operator in Southeast Asia while providing immediate production and operating cash flow. The Acquisition is aligned with Criterium's strategy of building a balanced portfolio of low-risk producing assets with tangible reinvestment opportunities in the form of production optimization, infill drilling, and step-out developments.

The Company is also pleased to announce that it has filed and been receipted for a preliminary short-form prospectus in connection with a marketed agency equity public offering (the "**Offering**") of subscription receipts of the Company (the "**Subscription Receipts**") at a price per Subscription Receipt to be determined in the context of the market, for aggregate gross proceeds of up to $22 million (US$16 million equivalent). The Offering is being led by Research Capital Corporation, as lead agent and sole bookrunner (the "**Lead Agent**"), on behalf of a syndicate of agents, including Canaccord Genuity Corp. and Stifel FirstEnergy (collectively, the "**Agents**").

**Acquisition Highlights**

- **Immediate Cash Flow and Production:** Collective production of approximately 1,050 bbl/d[1].

- **Significant Upside Identified:** Production optimization via workovers and infill drilling to achieve expected production of 1,400 – 1,600 bbl/d by Q4 2023/Q1 2024 and fiscal year-ended 2024 expected production of 2,200 – 2,600 bbl/d, funded from cash flow[1], with the expectation to generate US$25 million EBITDA in 2024[2].

- **Mature Development and Exploration Inventory:** 2C resource of 6.5 MMboe[1], including 20 bcf of natural gas and a mature prospect inventory near infrastructure. Total Prospective Resources of 29 MMboe[1].

- **Established Operating Business:** MOPL has a strong 15-year track record of safe operations in Indonesia and provides Criterium with a reputable and talented operating and technical team from which to expand operations.

- **Assumption of Favourable Debt:** Acquiring MOPL in consideration of assuming US$32.5 million of outstanding debt which Criterium will reduce to US$19.7 million post-closing through cash payments (US$7.9 million) and conversion to equity (US$2.5 million Common Shares at closing and US$2.4 million converted in 2025[3]). Favourable weighted average interest rate of 7.9%.

- **Strong Cash Position:** Upon closing of the Acquisition, MOPL will hold a cash balance of approximately US$17 million (approximately US$8 million cash from the Offering and US$9 million of MOPL cash). Creating a resilient balance sheet which will utilize cash to execute drilling and workover campaigns while ensuring the debt amortization is met.

- **Strategic Shareholder:** Upon closing of the Acquisition, Criterium will issue US$1 million common shares of the Company[3] ("**Common Shares**") to Tourmalet Holdings Ltd. ("**Tourmalet**"), a company owned by the founding partners of Provident Capital Partners, a leading Southeast Asia focused investment firm which has successfully built multiple billion-dollar businesses in Indonesia. Current MOPL shareholders, which includes Tourmalet, will receive contingency payments upon certain price and production thresholds[4].

**Robin Auld, Chief Executive Officer of Criterium Energy**

*"Mont D'Or is a foundational acquisition for Criterium and establishes our Company as a reputable operator in Indonesia and Southeast Asia. By acquiring MOPL we integrate a seasoned team which safely operates over 1,000 bbl/d that generates a stable and scalable cash flow base which we intend to grow rapidly. With the recently announced 2042 Tungkal PSC extension, we intend to execute annual drilling programs to fully realize MOPL's potential to deliver long-term sustainable production growth within cashflow.*

*As we bring the Mont D'Or team into Criterium, this is an energizing period for our expanding team and our shareholders. The financing arrangements we announce today strengthen our balance sheet and provide flexibility to execute our ambitious growth objectives with MOPL and future acquisitions in the region. We have the experienced team to capture these opportunities and deliver significant value for our shareholders.*

*We are excited to be working with Research Capital, Canaccord, and Stifel to broaden our global shareholder base and to further enhance global exposure and liquidity. To support this expanded shareholder base we may consider a dual-listing on the London Stock Exchange's AIM market, alongside the current listing on the TSXV in Canada."*

**Gavin Caudle, Founding Partner of Provident Capital Partners**

*"This transaction is aligned with our core principle of partnering with strong management teams in good businesses. We are confident that the Criterium team will build upon MOPL's strong reputation established from over 15 years of operations to realize significant value creation. We invest for the long term and as a shareholder of Criterium we will support the team and push them to build an industry-leading business to align with the other companies within our portfolio. I look forward to working with the Criterium team to optimize MOPL as they springboard to other accretive transactions".*

**Acquisition**

Criterium Energy Ltd. will purchase all outstanding and issued shares of MOPL under the terms of the SPA. As set forth in the SPA, Criterium has committed to the following payments and issuance of securities upon closing:

(1) a nominal fee of US$1 payable to the current MOPL Shareholders (the "**Sellers**"),
(2) the issuance of Common Shares equivalent to US$1 million to Tourmalet[3],
(3) a cash payment of US$7.9 million to MOPL to be distributed to current MOPL lenders,
(4) the issuance of Common Shares and/or convertible notes equivalent to US$5.75 million to select MOPL lenders[3], and
(5) a working capital injection into MOPL of approximately US$8 million.

**Equity Financing**

The Company has filed and been receipted for a preliminary short form prospectus in connection with a marketed agency equity public offering of Subscription Receipts at a price per Subscription Receipt to be determined in the context of the market, for aggregate gross proceeds of up to C$22 million. The Offering is led by Research Capital Corporation, as lead agent and sole bookrunner, on behalf of a syndicate of Agents, including Canaccord Genuity Corp. and Stifel FirstEnergy.

Certain directors, officers and employees of the Company have provided indication of interests to participate in the Offering alongside other investors.

Each Subscription Receipt will entitle the holder thereof to receive, without payment of any additional consideration and with no further action on the part of the holder thereof, one Common Share upon satisfaction of certain escrow release conditions prior to the Escrow Release Deadline (as defined below). The Company intends to use the net proceeds of the Offering for: (i) drilling activities in 2023; (ii) front end engineering and design (FEED) studies for gas processing, transportation, and carbon sequestration at Bulu; and (iii) a portion for repaying certain debt with MOPL's existing lenders to reduce the total debt balance outstanding following completion of the Acquisition.

In connection with the Offering, the Company has granted the Agents an option, exercisable in whole or in part, at the sole discretion of the Agents, at any time, from time to time, for a period of 30 days from and including the closing of the Offering, to purchase from the Company up to an additional 15% of the Subscription Receipts sold under the Offering, on the same terms and conditions of the Offering to cover over-allotments, if any, and for market stabilization purposes (the "**Over-Allotment Option**").

Upon closing of the Offering, the net proceeds will be placed in escrow (the "**Escrowed Proceeds**") with an escrow agent ("**Escrow Agent**") and will be released to the Company (together with the interest thereon) upon satisfaction of certain escrow release conditions and the Agents receiving a certificate from the Company prior to the Termination Time (as defined below) to the effect that:

(a) the completion, satisfaction or waiver of all conditions precedent to the Acquisition in accordance with the SPA (save and except for those conditions precedent which are contingent upon and/or will be completed, satisfied or waived concurrent with or as part of the closing of the Acquisition (the "**Concurrent Conditions Precedent**"), provided that the Chief Executive Officer of the Company (or such other officers as may be acceptable to the Lead Agent, acting reasonably) has certified to the Agents that, to the best of his information, knowledge or belief, no event, circumstance or condition exists which could reasonably be expected to result in any of the Concurrent Conditions Precedent not being completed, satisfied or waived concurrent with or as part of the closing of the Acquisition; it being understood and agreed that certain of the Concurrent Conditions Precedent may be completed or satisfied pursuant to the giving and acceptance of solicitors' undertakings, as applicable, to the satisfaction of the Agents, acting reasonably;

(b) the receipt of all required shareholder and regulatory approvals, including, without limitation, the conditional approval of the TSX Venture Exchange ("**TSXV**") for the Acquisition;

(c) the representations and warranties of the Company contained in the agency agreement to be entered into in connection with the Offering being true and accurate in all material respects, as if made on and as of the escrow release date; and

(d) the Company and the Lead Agent having delivered a joint notice and direction to the Escrow Agent, confirming that the conditions set forth in (a) to (c) above have been met or waived.

If (i) the Escrow Release Conditions are not satisfied or waived on or prior to 5:00 p.m. (Toronto time) on the date that is 90 days following the closing of the Offering (or such later date as the Lead Agent may consent in writing); (ii) the Acquisition is terminated in accordance with its terms; or (iii) the Company has advised the Agents or the public that it does not intend to proceed with the Acquisition (in each case, the earliest of such times being the "**Termination Time**"), the Company will be responsible to refund the gross proceeds of the Offering (including the amount of the Agents' commission and the Agents' expenses) without penalty or deduction to the subscribers of the Offering, such that it would be the Company's responsibility to return the full amount of the gross proceeds of the Offering to the holders of Subscription Receipts, together with such holders' pro rata portion of the interest earned thereon, if any (the "**Required Refund**").

The Offering is expected to close on or about the week of July 19, 2023, or such other date as the Company and the Lead Agent may agree. Closing of the Offering is subject to customary closing conditions, including, but not limited to, the receipt of all necessary regulatory approvals, including the approval of the securities regulatory authorities and the TSXV.

The Subscription Receipts may be offered in the United States on a private placement basis pursuant to an appropriate exemption from the registration requirements under applicable U.S. law, and outside of Canada and the United States on a private placement or equivalent basis. The preliminary short form prospectus is available on SEDAR at www.sedar.com.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

**Debt Financing**

Criterium and the Sellers have negotiated interest adjustments with select MOPL lenders to reduce the total debt outstanding upon closing of the Acquisition to US$32.5 million. Immediately following the closing of the Acquisition, Criterium will pay US$7.9 million in cash and US$4.9 million in Common Shares and convertible notes to select MOPL lenders[3] to reduce total debt upon closing of the Acquisition to US$19.7 million. Criterium has amended the lender agreements to reflect an amortization schedule that results in all debt being fully paid by 2026 with funds from operations. The debt has a favorable weighted average interest rate of 7.9%.

**Overview of the Tungkal PSC**

MOPL holds a 100% working interest in the Tungkal PSC which covers an area of 2,285 km$^2$ and contains the Mengoepeh and Pematang Lantih oil fields that collectively produce 1,030 bbl/d and contain 4.6 MMbbl 2P Reserves as of December 31, 2022[1]. MOPL secured an extension to the PSC to August 2042 and the extension is in the form of the Gross Split PSC which has a favourable contractor take and income tax rate of 40% on net profits. Under the new PSC term MOPL has committed to execute firm work commitments over the next 5 years which include G&G studies, seismic acquisition and two exploration wells.

*Mengoepeh Field*

The Mengoepeh field was discovered in January 1997 and commenced production in 2004 reaching a peak rate of 2,500 bbl/d. In 2022, two infill wells were drilled bringing the total development well count to 40, with 12 wells currently producing 430 bbl/d[1] and 4 non-producing natural gas wells. The main reservoir is the Talang Aker Formation and as of December 31, 2022, the Mengoepeh field has produced 4.7 MMbbl, an estimated 6% recovery factor[5]. Criterium recognizes additional potential above 2P estimates which only equate to an 11% ultimate recovery and intends to focus its efforts on workovers of bypassed pay, infill drilling, and secondary recovery techniques. Acting immediately, Criterium intends to drill 3-4 wells in Q4 2023/Q1 2024 and commence an annual drilling program thereafter.

*Pematang Lantih Field*

The Pematang Lantih field was discovered in 1939 with first production in 2015 and reached its peak rate of 2,000 bbl/d in June 2018. In 2022, two wells were drilled bringing the total development well count to 6 with current production of 600 bbl/d[1]. As of December 31, 2022 the field had produced 1.8 MMbbl, representing an estimated 10% recovery factor[6]. As with Mengoepeh, Criterium recognizes significant potential above current 2P estimates which result in an additional ultimate recovery of 19%[5]. Criterium has identified potential upside in converting former producing wells into water injectors to increase ultimate recovery from the relatively simple faulted anticline structure.

Oil produced from the Tungkal PSC is trucked to either the Gemah terminal (95 km away) or the Tempino terminal (120 km). Average operating costs, including transportation, in 2022 were US$25/bbl, a large portion of which are fixed. As production increases unit operating costs are expected to decrease.

*Gas Aggregation*

The Tungkal PSC contains 20 Bcf of 2C contingent gas resource[1] within the Mengoepeh SE and Macan Gedang structures. Additional prospects are identified on 2D seismic which contain prospective resource (best case) of 34 Bcf[1]. Criterium intends to conduct technical and commercial feasibility studies to determine the potential for producing gas for internal use and sales to third parties.

**West Salawati PSC**

MOPL holds a 100% operated working interest in the West Salawati PSC located onshore Salawati Island covering an area of 970 km$^2$ and containing the Balladewa-A ("BLL-A") oil field which currently produces approximately 20 bbl/d[1] from one well. The West Salawati PSC is a cost recovery PSC that expires in 2033. MOPL has outstanding work commitments which include two exploration wells to be drilled prior to 2026. Fortunately, the prospectivity within the block is mature and contains the BLL-B, BLL-C, and BLL-F structures which can utilize existing infrastructure from the BLL-A field. In addition, the PSC contains large prospects located in the shallow water portion of the PSC, most notably Prospect-3X.

*BLL-A Field*

The BLL-A1 well was drilled in 2015 and encountered 67m of net oil pay in the Kais reef. It was brought onto production in 2018 at an initial rate of 350 bbl/d of oil and water cut of 70-80%. The source of water is unknown but may have been caused by a failure of the cement plug. The well currently produces approximately 20 bbl/d[1]. Criterium is planning a workover in Q4 2023 to add new perforations and limit water production.

*Prospect Inventory*

West Salawati contains mature prospects in both the onshore and offshore areas of the PSC. The BLL Cluster located onshore has well-pads prepared for drilling and, if successful, production can be handled at the BLL production facility which is located 1 km away and has capacity in excess of 5,000 bfpd. The offshore area of the PSC contains 15 prospects/leads and Criterium intends to conduct a detailed prospect and lead review and ranking in Q4 2023/Q1 2024.

***Reserves and Resources***

**Summary of MOPL Reserves as of December 31, 2022[1]**

| Category | Light/Medium Oil Property Gross (MMbbl) | After Tax Net Present Value discounted at 10% (US$ million/C$ million) |
|---|---|---|
| **Total Proved (1P)** | 2.29 | $11 / C$15 |
| **Total Proved + Probable (2P)** | 4.67 | $58 / C$75 |
| **Total Proved + Probable + Possible (3P)** | 7.71 | $112 / C$145 |

**Summary of MOPL Contingent Oil Resources (unrisked) as of December 31, 2022[1,6]**

| Field | Resource Sub-Class | Chance of Development | Resource Category | Light/Medium Oil Property Gross (MMbbl) |
|---|---|---|---|---|
| **Pematang Lantih (Tungkal PSC)** | Development Unclarified | 50% | 1C | 0.78 |
| | | | 2C | 2.73 |
| | | | 3C | 7.16 |

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| **Mengoepeh Field (Tungkal PSC)** | Development Pending | 90% | 1C | 0.14 |
| | | | 2C | 0.24 |
| | | | 3C | 0.83 |

**Summary of MOPL Contingent Gas Resources (unrisked) as of December 31, 2022[1,6]**

| Field | Resource Sub-Class | Chance of Development | Resource Category | Gas (Bcf) Gross |
|---|---|---|---|---|
| **Mengoepeh SE (Tungkal PSC)** | Development Unclarified | 30% | 1C | 3.4 |
| | | | 2C | 7.1 |
| | | | 3C | 14.8 |
| **Macan Gedang (Tungkal PSC)** | Development Unclarified | 30% | 1C | 8.0 |
| | | | 2C | 12.6 |
| | | | 3C | 20.0 |

Note: There is uncertainty that it will be commercially viable to produce any portion of the resources.

The contingent resources within the Mengoepeh field, consisting of development pending locations, will utilize infill well drilling with a  a total capital cost estimate of US$5 million and it is estimated that first production will occur in 2025[1]. The development pending locations will utilize conventional technology and the project is based on a pre-development study.

Note: Resources categorized as Contingent Resources means there is uncertainty that it will be commercially viable to produce any portion of the resources. Resources categorized as Prospective means that there is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

**Sustainability and Human Capital**

How we achieve results is important, and our strategy is underpinned by our commitment to support growing economies and communities by responsibly producing and developing reliable energy. Through the Acquisition, Criterium will gain over 50 new team members and contractors that are aligned with our values and have demonstrated a commitment to creating a positive impact within the communities they work and live. A key element of the transition will be the integration of environmental, social, and governance initiatives, including discussing how best to track and record Scope 1 and 2 emissions from our operations, continuing the strong commitment MOPL has to community engagement, and preparing annual ESTMA reports.

**Management Team & Directors**

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| ***Datuk Brian Anderson***<br>*Non-Executive Chairman* | Mr. Anderson brings to Criterium Energy five decades of operating experience including 16 years in Asia Pacific. He has led large multi-disciplinary operations and successfully executed safe growth strategies in developing markets. He is the former Chair for the Shell Companies in Northeast Asia, and prior to that he |

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| | was the Chair for Shell Nigeria where he was responsible for managing over 1 million bbl/d of oil production and 6.4 MTPA of LNG export. Within Asia Pacific, Mr. Anderson previously held the roles of Managing Director for Shell's E&P companies in Malaysia and was GM Development for Woodside Petroleum in Australia. After retiring from Shell, amongst other activities, he was a Director at TSX-listed Addax Petroleum Ltd., acquired by Sinopec International Petroleum Exploration and Production Corporation for $8.27 billion. He holds a BSc. in Metalliferous Mining Engineering and an MSc in Petroleum Reservoir Engineering. |
| **Michèle Stanners**<br>*Non-Executive Director* | Ms. Stanners is a strategic advisor and results-orientated board member bringing corporate governance, audit and financial oversight for TSX listed, private and not for profit entities. She has held executive leadership roles, including business and policy development with extensive experience working with Indigenous peoples. Ms. Stanners holds a Masters in Theological Studies from Harvard University and an MBA and Law Degree from the University of Alberta and is an active member of the International Women's Forum and past board member for Softrock Minerals (TSX-V) from 2015-2022 and Mount Royal University from 2017 – 2020. |
| ***David Dunlop***<br>*Non-Executive Director* | Mr. Dunlop is currently Senior Manager, Controller of the Transmission Business Unit at Pembina Pipeline. His prior roles include VP Finance at Veresen Inc and VP Controller and VP Planning and Process Improvement at Talisman Energy. Mr. Dunlop has a comprehensive understanding of financial controls and procedures required for a listed Canadian international energy company operating in Southeast Asia. Further, he has successfully led global finance teams through business acquisitions and integrations. Mr. Dunlop is a Chartered Accountant (CA), a Certified Financial Analyst (CFA) charterholder, and holds an MBA from Kellogg Schulich School of Business along with an ICD.D designation from the Institute of Corporate Directors |
| ***Robin Auld***<br>*Chief Executive Officer and Director* | Mr. Auld is the founder of Criterium Group and for over 20 years has specialized in leading organizations through mission-critical initiatives and periods of transformational change. Mr. Auld will apply decades of strategic advisory and capital market experience to execute Criterium Energy's strategy and maintain the access to capital necessary to realize the company's objectives. His energy experience is rooted in strategic, commercial, and operational advisory services to several of Canada's largest upstream and midstream companies including three years with Talisman Energy Asia Pacific. He holds an Engineering degree from the Royal Military College of Canada, an MBA from Queen's University and is a registered engineer with APEGA. Mr. Auld is former Chairman & CEO of North American Gem (TSX-V) & former CTO of TransAKT (TSX-V). |
| ***Matthew Klukas***<br>*Chief Operating Officer* | Mr. Klukas has worked Asia Pacific upstream energy since his career began as a Geophysicist in 2008 with Talisman Energy. Since then, he has held technical, business development, asset management and operational roles within the energy sector in ASEAN and Canada with large multinational companies, junior transitional energy companies, and power generators. Within Criterium Energy, |

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| | he will bring asset specific knowledge and leadership to the Company's operations and strong relationships in ASEAN. Mr. Klukas holds a BSc. in Geophysics from the University of Alberta, an MBA from University of Calgary and is a registered geoscientist with APEGA. |
| ***Dr. Henry Groen***<br>*Chief Financial Officer* | Dr. Groen is the former VP and Deputy General Manager for Talisman Vietnam and Truong Song Joint Operating Company, and Assistant General Manager for Talisman Asia Ltd. He has held various managerial and financial roles in ASEAN and brings a first-hand understanding of the financial and accounting controls required for a Canadian company operating in ASEAN. He holds a doctorate in business administration from the University of Newcastle, New South Wales, with a thesis based on Corporate Social Responsibility within the energy sector in ASEAN and an MBA from Athabasca University. He is a Chartered Professional Accountant (CMA). |
| ***Hendra Jaya***<br>*President, Director, Indonesia* | Mr. Jaya is the former President Director for PT Pertamina Gas, President Director of PT Nusantara Regas, and General Manager for JOB Pertamina-Medco Tomori. After a distinguished 30-year career with Pertamina, he will now be responsible for Criterium Energy's operations in Indonesia, which will benefit from his strong leadership and technical skills as it relates to managing multi-disciplinary and multi-national teams in both onshore and offshore operating environments. Mr. Jaya holds a BEng. in Mining Engineering from the Bandung Institute of Technology, an MBA from Prasetiya Mulya Business School, and completed the Stanford School of Business Leadership and Development Program. |
| ***Andrew Spitzer***<br>*VP, Corporate Development* | Mr. Spitzer has 15 years of progressive oil and gas experience beginning his career at Talisman Energy. He has held roles in asset operations, business development and corporate planning teams leading Talisman/Repsol as the Manager of North American Special Projects with a focus on opportunities to improve natural gas margins throughout the value chain. He has led teams responsible for capital budgeting, reserves/impairment valuations, process implementations and strategic planning across North America. Mr. Spitzer holds a B. Comm in Finance from the University of Calgary. |

**Approvals and Conditions to Closing**

The Acquisition constitutes a transfer of shares which cause change in the indirect control and under MEMR Regulation 48/2017 Criterium will subsequently notify MEMR via SKK MIGAS upon closing of the transaction. MOPL has submitted notification of the proposed indirect change of control as required under the terms of the Tungkal PSC.

The Acquisition is subject to Criterium successfully completing the Offering and receiving TSXV approval for the Acquisition.

**About Criterium Energy Ltd.**

Criterium Energy Ltd. is an upstream energy company focused on the acquisition and sustainable development of assets in Southeast Asia that can deliver scalable growth and cash generation. The

Company focuses on maximizing total shareholder return by executing on three strategic pillars, namely (1) successful and sustainable reputation, (2) innovation and technology arbitrage, and (3) operational and safety excellence.

For further information please visit our website (www.criteriumenergy.com) or contact:


**Robin Auld**
Chief Executive Officer
Criterium Energy Ltd.
Email: info@criteriumenergy.com

**Matt Klukas**
Chief Operating Officer
Criterium Energy Ltd.
Email: info@criteriumenergy.com


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

[1] Reserve report commissioned by MOPL and prepared by ERCE Limited dated March 15, 2023 with effective date of December 31, 2022 (the "**Reserve Report**"), which was prepared in accordance with the definitions, standards, and procedures contained in the Canadian National Instrument 51-101 Standards of Disclosure of Oil and Gas Activities. Gross reserves and resources are the working interest share of Reserves and Resources and are prior to the application of the contractual terms of the PSC. Stated production data is as of December 31, 2022. The estimated values in the Reserve Report do not represent fair market value.

[2] EBITDA projections are based on 2P Reserve Report case for 2024 with management estimate for phased activity (Reserve report states US$11 MM EBITDA for 2023 and US$37 MM EBITDA for 2024)

[3] Common Shares issued to Tourmalet are in satisfaction of the fee payable by MOPL to Tourmalet for negotiating write-downs to current MOPL lenders and will be issued at the lower of the Subscription Receipt Price or the 10-day VWAP prior to closing. The Common Shares issued to the lenders in exchange for debt (US$2.5 million) will be issued at the Subscription Receipt Price. The convertible shares issued to the lenders will convert US$2.4 million of existing debt and an additional US$0.35 million to Common Shares in 2025 at an issue price equivalent to the 20-day VWAP on May 31, 2025.

[4] The contingency payments are calculated and paid semi-annually and are based on asset performance and commodity price, specifically (1) 'Oil Production' payment of US$3 per barrel of incremental production above 1,200 bbl/d when ICP is greater than US$80/bbl and less than US$90/bbl or US$7.5 per barrel of incremental production above 1,200 bbl/d when ICP is greater than US$90/bbl. (2) 'Oil Price' payment payable if average daily production exceeds 1,200 bbl/d and if ICP is greater than US$100/bbl. The contingency payment is US$1/bbl and increases by US$1/bbl for every US$10 increase of ICP above US$100/bbl/ (3) 'Gas Production' contingency payment equal to 1.82% of gross revenue from third party gas sales

[5] Based on the base case STOIIP contained in the Reserve Report

[6] a) These are unrisked oil Contingent Resources that have not been risked by the listed chance of development (COD). The MGH Contingent Resources are sub-classified as development pending and are contingent the maturation of a development plan. The PLT Contingent Resources are sub-classified as development unclarified and are contingent on the demonstration of commercial flow rates from the deeper zones.
b) Quantifying the COD requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to

project finance and development timing. As many of these factors are out with the knowledge of ERCE they must be used with caution

c) There is no certainty that it will be commercially viable to develop any portion of the Contingent Resources.

d) Property Gross Contingent Resources are the total Contingent Resources to be recovered from the properties.

e) Company Gross Contingent Resources are based on the working interest share of the Property Gross Contingent Resources and are prior to the application of the contractual terms of the PSC.

f) Company Net Contingent Resources are based on Company share of total Cost and Profit Revenues. As ERCE did not carry out an economic evaluation of the Contingent Resources in the PLT field these are not presented. After taking into account the contractual terms of the PSC, net entitlement Contingent Resources would be less than Company Gross Contingent Resources.
g) These are unrisked gas Contingent Resources that have not been risked by the listed chance of development. The Mengoepeh SE Contingent Resources are sub-classified as development unclarified and are contingent on the demonstration of commercial flow rates and the maturation of the development plan. The Macan Gedang Contingent Resources are sub-classified as development unclarified and are contingent demonstration of commercial flow rates and the maturation of the development plan.
h) As an economic evaluation of the gas Contingent Resources was not undertaken the Company Net estimates are not presented.

The contingencies that prevent the classification of the resources as reserves is as follows:

- Pematang Lantih Oil (Tungkal PSC): Development of the deep reservoirs (D4 to E5) and demonstration of flow to the surface at commercial rates.
- Mengoepeh Oil (Tungkal PSC): Maturation of drilling program with the drilling of two additional wells
- Mengoepeh SE Gas (Tungal PSC): Development of the Baturaja Formation and maturation of development program and commercial flow.
- Macan Gadang Gas (Tungkal PSC): Development of the Gumai Formation, and maturation of development program and commercial flow

**<u>Cautionary Note Regarding Forward-Looking Statements</u>**

This press release contains certain forward–looking information and statements that are based on expectations, estimates, projections and interpretations as at the date of this news release. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends", "seek", "aims" and similar expressions are intended to identify forward-looking information or statements.

This press release contains statements of forward looking information including, without limitation, statements with respect to completion of the Offering, price of the Subscription Receipts, dates for closing of the Offering, amount of proceeds under the Offering, approval of the Offering by regulatory authorities, intended use of net proceeds of the Offering, generation of stated net operating income by the Company for the second half of 2023, the stated significant upsize potential of the MOPL assets, the intention to drill 3-4 wells in Q4 2023 and commence an annual drilling program in 2024 in the Mengoepeh Field, the increase of recovery from simple faulted anticline structures through converting former producing wells into water injectors, the implementation of a workover in Q4 2023 by Criterium in the BLL-A Field, the satisfaction of conditions precedent to the Acquisition and approval by all regulatory authorities of the Acquisition.

Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of Criterium's businesses include, among other things: risks and assumptions associated with operations; risks inherent in Criterium's future operations; increases in maintenance, operating or financing costs; the availability and price of labour, equipment and materials; competitive factors, including competition from third parties in the areas in which Criterium intends to operate, pricing pressures and supply and demand in the oil and gas industry; fluctuations in currency and interest rates; inflation; risks of war, hostilities, civil insurrection, pandemics (including COVID-19), instability and political and economic conditions in or affecting Indonesia or other countries in which Criterium intends to operate (including the ongoing Russian-Ukrainian conflict); severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to Criterium future business; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals and the maintenance of such approvals; general economic and business conditions and markets; and such other similar risks and uncertainties. The impact of any one assumption, risk, uncertainty or other factor on a forward-looking statement cannot be determined with certainty, as these are interdependent and the Company's future course of action depends on the assessment of all information available at the relevant time. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

With respect to forward-looking statements contained in this press release, Criterium has made assumptions regarding, among other things: the COVID-19 pandemic and the duration and impact thereof; future exchange and interest rates; supply of and demand for commodities; inflation; the availability of capital on satisfactory terms; the availability and price of labour and materials; the impact of increasing competition; conditions in general economic and financial markets; access to capital; the receipt and timing of regulatory and other required approvals; the ability of Criterium to implement its business strategies; the continuance of existing and proposed tax regimes; and effects of regulation by governmental agencies.

The forward-looking statements contained in this press release are made as of the date hereof and the parties do not undertake any obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

**Oil and Gas Advisories**

Total proved, probable and possible reserves disclosed in this announcement in respect of the Tungkal PSC are based on the Reserve Report commissioned by MOPL and prepared by ERCE Limited dated March 15, 2023 with effective date of December 31, 2022, which was prepared in accordance with the definitions, standards, and procedures contained in the Canadian National Instrument 51-101 *Standards of Disclosure of Oil and Gas Activities.*

The Resource Report describes reserves as "*…estimated remaining quantities of commercially recoverable oil, natural gas, and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data, the use of established technology, and specified economic conditions, which are generally accepted as being reasonable.*"

These reserves are further classified based on the level of certainty and status of development or production.

The Reserve Report classifies levels of uncertainty in accordance with the Canadian Oil and Gas Evaluation Handbook. These levels are described as PDP, PD, 1P, 2PD, 2P and 3P levels of status and uncertainty (see glossary for summarized definitions). According to the Reserve Report, estimates and uncertainty are further influenced by: (1) a variety of market factors which may influence the commerciality of resource recovery; and (2) the Reserve Report is based on estimates only and there is no guarantee of actual recovery.

The Resource Report describes Contingent Resources as "*…Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development but which are not currently considered to be commercially recoverable due to one or more contingencies.*"

The Resource Report describes Prospective Resources as "*…Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations applying future development projects.*"

Any references in this presentation to initial production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Criterium. Management of Criterium believes the information may be relevant to help determine the expected results that Criterium may achieve within oil and gas interests and such information has been presented to help demonstrate the basis for Criterium's business plans and strategies with respect to the Tungkal PSC. There is no certainty that the results of the analogous information or inferred thereby will be achieved by Criterium and such information should not be construed as an estimate of future production levels, reserves or the actual characteristics and quality of Criterium's assets.

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 5.6 Mcf: 1 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 5.6:1, utilizing a conversion on a 5.6:1 basis may be misleading as an indication of value.

**Glossary**

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| 1P | proved reserves, reserves that can be estimated with a high degree of certainty to be recoverable |
| 2P | probable reserves, reserves that are less certain to be recovered than proved reserves |
| 2PD | P50 proved developed (50$^{th}$ percentile of distribution) |
| 3P | possible reserves, reserves that are less certain to be recovered than probable reserves. |
| bbl | barrels of oil |
| bbl/d | barrels of oil per day |
| MMbbl | millions of barrels of oil |
| bcf | billion cubic feet |
| bfpd | barrels of fluid per day |
| boe | barrel of oil equivalent |
| ESTMA | Extractive Sector Transparency Measures Act |
| FHWP | flowing well head pressure |
| ft | feet |
| hr | hour |
| in | inch |
| MD | measured depth |
| MMboe | million barrels of oil equivalent |
| MMbtu | million British thermal units |
| MMscf | million standard cubic feet |
| MMscf/d | million standard cubic feet per day |
| psig | pounds per square inch gauge |
| PDP | proved developed producing |
| PD | proved developed |