



Criterion Energy Announces 2024 Guidance, Commences Oil Development Activities, Signs Strategic Gas Offtake and Provides Operational Updates

April 2, 2024 - Calgary, Alberta - **Criterion Energy Ltd. (“Criterion” or the “Company”)** (TSXV: CEQ), is pleased to provide full year 2024 guidance which is focused primarily on the continued development of assets recently acquired through the Mont D’Or Petroleum Limited (“MOPL”) transaction (the “Acquisition”), along with an update on current operations.

With the completion of the MOPL acquisition, Criterion has established an immediate cash flow foundation from existing oil fields and acquired two large blocks at the **Tungkal PSC (564,636 acres)** and **West Salawati PSC (239,692 acres)**. These assets offer immediate growth opportunities, including a substantial inventory of low-risk well workover candidates, a large inventory of oil infill drilling locations, and a low-risk discovered gas play anticipated to commence production in 2025-2026 that unlocks significant shareholder value. CEQ’s immediate focus is boosting oil production from the Tungkal PSC through a low-risk well workover/reactivation program currently underway, and an infill drilling program to commence in Q3 2024. In addition, both blocks have regional 2D seismic coverage and CEQ has identified a large inventory of well-defined high impact exploration prospects and leads.

2024 Guidance

The Company has approved a 2024 Budget designed to boost production of the newly acquired MOPL assets through capital efficient well workovers, infill drilling and enhancing operational efficiencies, while also deleveraging and strengthening the balance sheet. The capital program and debt reduction outlined is **self funded** and can be accelerated should additional capital become available through the course of the year. The execution of the 2024 capital program and associated price assumptions are expected to result in the metrics outlined below, which form the basis of Criterion’s guidance for the full year 2024:

<u>2024 Metric</u>	<u>Guidance Range</u>	<u>Details</u>
Capital	US\$4.8 - 5.5MM	Funds a two well drilling program at the producing Tungkal production sharing contract (PSC) in Indonesia, along with 12-15 workovers
Annual Average Production	1,000 - 1,100 bbl/d	Midpoint represents a 22% increase over 2023 production
Exit Production	1,200 – 1,300 bbl/d	Increase of 70-85% over exit 2023 production rate of 700bbl/d ¹ (February 2024 average production was 820 bbl/d) ²
Oil Weighting	100%	Volumes comprised of light crude oil which receives a premium price to Brent
EBITDA	US\$8 - 10MM	Assumes US\$80/bbl Brent pricing
Year End Debt	US\$22 - 23MM	Midpoint represents a 25% decrease over year end 2023 Mont D’Or debt; Further step changes in reduction of debt can be realized in 2024 following the potential sale of Bulu

Criterion President and CEO, Robin Auld stated, *“With the closing of the Mont D’Or Petroleum acquisition in early 2024, Criterion’s position as a credible, producing operator in Indonesia has been solidified. I am incredibly*



proud of our team's efforts to execute the transaction and build key relationships in the region as a result. We are encouraged with the breadth of opportunities offered by the Mont D'Or portfolio and are working diligently to unlock its inherent value for our shareholders. Our 2024 program strikes a prudent balance between capital discipline and near-term production and EBITDA growth. The program is also designed to enable Criterium to deliver increasing oil production and cash flow into 2025, alongside layering in our Tungkal PSC discovered gas project with new strategic offtake partner PT Energasindo Heksa Karya."

Operational Highlights:

- Identified **50+ workover and intervention opportunities** to be completed over the next several years³
- **Secured a service rig** to complete the 2024 workover program of 12-15 wells
- Completed the first set of workovers which are expected to be on production within two weeks
- Multi-well oil development **drilling program at Tungkal** expected to commence in Q3 2024
- Signed an **agreement with PT Energasindo Heksa Karya ("EHK")**, a company owned by Rukun Raharja and Tokyo Gas, whereby EHK will purchase discovered gas from the Tungkal PSC.
- Tungkal PSC gas project is expected to **add 1,000-1,500 boe/d (100% W.I.)** of natural gas production once onstream in 2025-2026³
- Continued to progress the of sale of Criterium's 42.5% non-operated working interest in the Bulu PSC
- Awaiting buyer's approvals to close Bulu PSC transaction (sale price US\$7.75MM or approx. C\$10.5MM)

Operational Update Tungkal PSC and West Salawati PSC

Criterium has successfully completed the first set of planned workovers in the Mengopoh ("MGH") field in the Tungkal PSC, which offer low cost and efficient production additions. The workover wells are currently recovering load fluid and expected to be placed back on production in the next two weeks. The Company anticipates announcing full results from this first set of workovers in conjunction with the release of its year end 2023 financial results on or before April 26, 2024. As part of its 2024 guidance, Criterium also expects to continue employing the same contracted workover rig to carry out a campaign of workovers which is expected to deliver 12-15 workovers during 2024.

Both the MGH and the PLT oil fields on the Tungkal PSC are covered with 3D seismic and Criterium has high-graded over 10 infill development drilling locations³. At an estimated average cost of US\$1.8MM to drill, complete and tie-in, the single well economics are very attractive in the current oil market. In Q3 2024, Criterium plans to commence a multi-well drilling program at the MGH field from existing and newly constructed drilling pads.

As part of a plan to reduce operating cost run rate by 10-15% on the acquired assets, Criterium is in the process of temporarily suspending the single well in the West Salawati PSC that is currently producing approximately 10 bbls/day. This is expected to provide an immediate US\$500,000 in annual savings. In 2024, the team will focus on its current workover campaign and upcoming development drilling activities in the Tungkal PSC and return to activity in West Salawati at a later date.

In order to complement the ongoing production enhancement activities at the MGH field, the Company is also advancing development of previously discovered gas-in-place within the Tungkal PSC. In March of 2024, Criterium secured the first step to a gas sales agreement ("GSA") by signing an agreement with one of the largest natural gas distributors in Indonesia, PT Energasindo Heksa Karya ("EHK") to purchase gas from the Tungkal PSC at a fixed rate. Further information about EHK can be found at their website www.energasindo.com. While final



pricing and terms will be determined prior to execution of a GSA, similar fixed rate GSA have featured natural gas prices ranging from US\$6 to \$US8 per MMBtu. This development is expected to add 1,000-1,500 boe/d of natural gas production once onstream in 2025-2026.

Bulu Divestment

As previously announced on [December 14, 2023](#), the Company entered into an agreement with a third party for the sale of Criterion's 42.5% non-operated working interest in the Bulu PSC, which contains the fully appraised Lengo Gas Field. While awaiting completion of the purchaser's approvals, Criterion is concurrently continuing to advance its revised plan of development with the PSC partners under the terms of the joint operating agreement ("JOA"). Should the transaction be completed as expected, the total cash consideration would be US\$7.75MM (equivalent to approximately C\$10.5MM). Closing of the transaction would provide Criterion with flexibility to accelerate debt reduction and/or fund additional 2024 development drilling and production activities that would further enhance shareholder value.

Annual General Meeting

The Company has scheduled its Annual General and Special Meeting (the 'Meeting') for May 23, 2024 at 9 A.M. MDT open to all shareholders of record on April 8, 2024. Details of the meeting and shareholder resolutions will be provided via Notice and Access no later than 40 days prior to the Meeting date.

Corporate Presentation

For further information related to the 2024 Guidance, please visit the Company's updated corporate presentation available on our website at: <https://criteriumenergy.com/presentations-events/>

Social Media

Follow Criterion on X (formerly Twitter) at: <https://twitter.com/CriterionEnergy> and LinkedIn at: <https://www.linkedin.com/company/criterium-energy/>

About Criterion Energy Ltd.

Criterion Energy Ltd. (TSXV: CEQ) is an upstream energy company focused on the consolidation and sustainable development of assets in Southeast Asia that can deliver scalable growth and cash flow generation. This region is expected to house a population approaching 800 million people within the next 25 years, driving world-leading economic growth and record energy demand. Criterion intends to contribute responsible, safe and secure sources of energy to help meet this demand, while maximizing total shareholder return by executing across three strategic pillars that include (1) fostering a successful and sustainable reputation; (2) leveraging innovation and technology arbitrage; and (3) achieving operational excellence with an unwavering commitment to safety. For further information please visit our website (www.criteriumenergy.com) or contact:

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Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Acquisition, any information released or received with respect to the Acquisition may not be accurate or complete and should not be relied upon. Trading in the securities of Criterium should be considered highly speculative.

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.

Notes

¹ December 2023 average production from the Tungkal PSC.

² Field estimate, based on most recent production data

³ Management estimate based on previously disclosed 'Mont D'Or Venture Limited YE Evaluation' reserve and resource report, effective December 31, 2022. This report was conducted by an independent qualified reserves evaluator or auditor in accordance with the COGE Handbook.

Cautionary Note Regarding Forward-Looking Statements

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 intended use of net proceeds of the Offering.

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.