Criterium Energy Signs Binding Long-Term Gas Sales Agreement, Advances SE-MGH Development and Releases Q2 Financial Results

- **Signed Gas Sales Agreement with PGN secures offtake for Tungkal PSC gas production at fixed long-term pricing, supporting SE-MGH production and further development.**
- **SE-MGH gas development ongoing with project now approximately 85% complete; targeting first gas in September 2026**
- **Positive cash flow from operations of C$1.5 million in Q2 2026, contributes to increased cash position of C$2.4 million, supporting improved liquidity prior to first gas**

Calgary, Alberta – August 31, 2026 – Criterium Energy Ltd. ("Criterium" or the "Company") (TSXV: CEQ), an independent upstream energy development and production company focused on energizing growth for Southeast Asia today announced that it has entered into a definitive Gas Sales Agreement ("GSA") with PT Perusahaan Gas Negara (Perseo) Tbk ("PGN") for the supply of natural gas and released its unaudited financial results for the second quarter ended June 30, 2026.

"Signing the Gas Sales Agreement is a major milestone for Criterium as it will provide stable and long-term fixed pricing for our gas production from SE-MGH," said Matthew Klukas, President and CEO. "With the project approximately 85% complete and the most technically complex portion of pipeline construction behind us, our focus is now on completing back-filling, commissioning, and start-up."

"First gas is expected to more than double our production and provide contracted cash flow to support both balance sheet improvement and our next phase of low-cost gas development at North Mengoepeh, Macan Gedang and Cerah. Over the longer-term, our broader goal is to actively pay down debt, even as we work to fund our next stage of growth. In time, we expect to become an even stronger partner for Indonesia, helping to further offset the country's reliance on imported oil and gas."

Gas Sales Agreement in place

The GSA provides Criterium with a long-term, contracted market for natural gas production from the Tungkal PSC through to 2040. The GSA includes a take-or-pay commitment providing a minimum level of contracted gas sales, together with a fixed long-term gas price this provides price certainty and visibility over future cash flows. The agreement also provides flexibility for gas sales to increase through mutually agreed nominations as additional production becomes available. Specific commercial terms of the GSA, including contracted volumes and pricing, are subject to confidentiality provisions and cannot be publicly disclosed. The Company can confirm that the contracted gas price is consistent with recently executed domestic gas sales agreements in Indonesia and reiterates its previous guidance for realized gas pricing in the upper range of US$6.00 to US$7.00/MMBtu, which equates to US$6.5 - $7.6/mscf for SE-MGH gas due to its high heating value.

The GSA was entered into between Mont D'Or Oil Tungkal Limited ("MOTL"), a wholly owned subsidiary of Criterium Energy Ltd., and PGN on August 31, 2026, on an arm's-length basis. PGN is Indonesia's largest natural gas transportation and distribution company and provides Criterium with a highly credible domestic offtake counterparty for the development of its gas resources.

Operational and Financial Highlights

- **SE-MGH gas development advancing toward completion:** Construction of the six-inch, 25 km pipeline that will connect the SE-MGH field (21 bcf 2P Reserves[2]) to existing processing facilities, enabling

production of 5-8 mmcf/d[2] is progressing. The project is now approximately 85% complete with more than 220,000 safe man hours worked. Remaining activities include installation of hot bends (curved sections of pipe), trenching and backfilling pipe, commissioning and start-up.

- **Increasing cash flow will help drive next phase of growth:** The Company reported cash flow from operations of C$1.5 million in Q2 versus C$0.2 million in the second quarter of 2025. Higher commodity pricing (average sale price per barrel of US$106.36 in Q2 2026 vs US$69.89 in Q2 2025) helped drive cash flow, allowing the Company to work toward completing the gas development project at SE-MGH, undertake a series of oil optimization initiatives, and plan the next phase of gas field development at N-MGH, Macan Gedang and Cerah.

- **Oil sales achieving premium to benchmark:** For July 2026, Criterium realized an oil price of US$85/bbl, reflecting a premium to Indonesian and Dated Brent benchmarks. Oil production in Q2 2026 averaged 627 bbl/d[3], below expectations due to natural decline, combined with selected production being offline due to ongoing testing and well intervention programs.

- **Higher netbacks driven by increased commodity pricing:** Average operating netbacks in the second quarter increased 50% quarter on quarter to US$36/bbl due to higher gross revenue and stable operating costs.

- **Balance sheet management remains a priority:** The Company's cash position has grown to C$2.4 million at June 30, 2026, versus C$2.0 million at December 31, 2025. This represents Criterium's largest cash balance in more than two years. Management continues to work with the Indonesian Tax Office and its lenders to find a sustainable, long-term solutions to reduce the Company's overall leverage. Nominal repayments to lenders occurred in Q2 and sustained payments are not expected to resume until after the Company produces first gas at SE-MGH.

SE-MGH Pipeline Construction Progressing

Pipeline construction for the SE-MGH development commenced in March 2026, and to date more than 85% of the project has been completed. The pipeline will total 25 km in length, connecting the SEM-01 well to existing processing facilities at the Teluk Rendah Gas Processing Plant.

Recently, the Company completed drilling beneath a main river crossing which was the most technically complex portion of pipeline construction and is now focused on backfilling the remaining pipe and installation of hot bends, prior to commencing the commissioning and start-up procedures.

Supported by the extended well test, which produced rates of up to 8 mmcf/d[4], Criterium anticipates initial production from SE-MGH of 5–8 mmcf/d[2]. With the Gas Sales Agreement signed, the Company is working toward the execution of the binding Facility Sharing Agreement that will grant access to key infrastructure needed to transport produced gas to market.

The Next Phase of Gas Development is Advancing

Following anticipated first gas from SE-MGH, Criterium expects to shift focus toward the next phase of low-cost gas developments, including N-MGH, Macan Gedang, and Cerah.

At N-MGH, following the successful well test of MGH-20 in Q1 2026, the Company is completing technical and engineering studies to support a near-term final investment decision and subsequent construction activities. As currently designed, the project involves the construction of a new pipeline that first connects the N-MGH wells to the Central Mengoepeh Oil Field processing facilities before continuing to the SE-MGH and downstream processing facilities and sales point. The Company is currently producing oil from MGH-20 and monitoring gas production rates and pressures, which continue to support development.

In addition to increasing total sales gas volumes, produced gas may also be utilized for power generation, reducing diesel consumption and lowering operating costs associated with oil production. Criterium anticipates future production from N-MGH of 2–3 mmcf/d[2], in addition to incremental oil volumes.

At Macan Gedang (13 bcf 2C Resource[2]), where the Macan Gedang-1 well successfully tested at rates of up to 5 mmcf/d[5], the Company has discussed a fast-track development mechanism, known as 'Put on Production', with the Indonesian regulator, SKK MIGAS. This mechanism, while still requiring a formal development approval process, has the potential to save considerable time. The anticipated plan to first gas for Macan Gedang requires a new production well to be drilled and connected via pipeline to the same processing facilities that SE-MGH will utilize.

At Cerah (34 bcf 2U Resource[2]), the Company has completed an assessment to re-establish access roads and the well site in preparation for the drilling of Cerah-2, which will twin the Cerah-1 well. Cerah-1 previously encountered gas shows within the Gumai formation but was not tested. It is anticipated that the Company will develop Cerah with a similar 'Put on Production' mechanism.

Drilling activities at both Macan Gedang and Cerah are currently scheduled for 2027, with preparations for longer lead-time items beginning in H2 2026.

Oil Sales Achieving Premium to Benchmark and Supporting Near-Term Investment

Production from the Tungkal PSC is lifted and sold monthly and priced in accordance with the Indonesian Crude Price ("ICP") that is set monthly by the Government of Indonesia and varies based on crude origin and quality.

For July 2026, the ICP benchmark for the Tungkal PSC was set at US$83/bbl, while Criterium realized a sales price of approximately US$85/bbl. This premium reflects the commercial terms achieved under existing offtake agreements.

Bulu Plan of Development Extended to 2028

On April 22, 2026, the operator of the Bulu PSC received notification from the MEMR approving the extension of the commencement date for commercial production to September 30, 2028.

The MEMR approval represents a positive development and demonstrates continued government support for the project to proceed. Criterium intends to collaborate with its JV partners to submit a revised plan of development for the Lengo gas discovery (134 bcf net 2C Resource[6]), including a request for an extension of the PSC, which is currently scheduled to expire in 2033. Criterium holds a 42.5% non-operated working interest in the PSC.

Q2 Financials & Financial Update

In April 2026, the Company elected to make lender payments and is currently negotiating the recommencement of regular amortization payments aligned with anticipated first gas from SE-MGH. Through these activities, the Company intends to communicate a clear deleveraging strategy focused on strengthening the balance sheet through a combination of debt reduction and growing operating cash flow. The anticipated addition of contracted gas production from SE-MGH is expected to materially diversify and stabilize the Company's operating cash flow profile.

Adjusted Financial and Operational Summary

	Three months ended		
($000 CAD, except per share and per boe amounts)	June 30, 2025	March 31, 2026	June 30, 2026
Financial			
Petroleum sales	7,542	7,927	8,776
Cash flow from (used in) operating activities	164	(470)	1,480
Net Income (Loss)	(1,237)	(2,636)	(2,697)
Capital Expenditures	(714)	(97)	(171)
Weighted average common shares outstanding (000s)	136,375	137,463	139,751
Weighted average fully diluted shares outstanding (000s)	233,371	238,422	237,922
Operating			
Average daily production[3] (bbl/d)	890	689	627
Netbacks ($CAD/bbl)			
Petroleum and natural gas sales	96.66	107.28	147.23
Royalties (Government Take)	(17.85)	(32.53)	(47.04)
Production Costs	(35.77)	(52.60)	(57.33)
Operating Netback	43.04	22.15	42.86

Criterium's unaudited financial results and supporting Management's Discussion & Analysis for the three-month period ended June 30, 2026 is available on SEDAR+ and can also be found on the Company's website (Reports & Filings).

Outlook

Based on its ongoing gas development project at SE-MGH and various oil production enhancement initiatives, Criterium continues to believe it has the potential to materially increase production in 2026 which it expects to fund from operating cash flow, further supported by higher oil prices versus prior year periods. By duplicating its SE-MGH development strategy at the nearby N-MGH and Macan Gedang fields, production can be increased further with relatively modest capital expenditure, generating improved, near-term returns and cash flow. Management also intends to maximize baseline oil production with the most likely near-term production gains coming from well maintenance and optimization and associated oil produced from the N-MGH gas development.

Stay Connected to Criterium

Shareholders and other interested parties who would like to learn more about the Criterium opportunity are encouraged to visit the Company's website, review a recent corporate presentation, and follow the Company on

X (formerly Twitter) and LinkedIn for ongoing corporate updates and relevant international oil and gas industry information.

About Criterium Energy Ltd.

Criterium Energy Ltd. (TSXV: CEQ) is Canadian-based upstream energy company focused on the aggregation and sustainable development of assets in Southeast Asia that can deliver scalable growth and cash flow generation. This region is expected to reach a population approaching 800 million people within the next 25 years, driving world-leading economic growth and record-high energy demand. With international operating expertise and a local presence, Criterium intends to contribute responsible, safe and secure sources of energy to help meet this demand. The Company is committed to 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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Notes

[1] *Exchange rate of 0.72 USD/CAD*

[2] 2025 Report: Reserve Report commissioned by Criterium Energy Ltd. and prepared by ERCE Malaysia Sdn. Bhd., an independent reserves evaluator and auditor, dated March 23, 2026 with effective date of December 31, 2025 (the "2025 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. The Reserve Report will be made available on Criterium's SEDAR profile.

[3] Estimate based on field production reports

[4] SEM-01 Well Test Results: SEM-01 completed extended well test on August 24,2025 and is currently suspended awaiting egress. The production test resulted in a clean-up period which produced 7.9 mmcf/d through a 48/64" choke with 706 psig WHP for a period of 4 hours. The 3-stage completion test was as follows: Stage 1; 24/64" choke, 3.0 mmcf/d, 1,150 psig WHP for 48 hours, Stage 2; 32/64" choke, 5.1 mmcf/d, 1,070 psig WHP for 48 hours, Stage 3; 40/64" choke, 7.1 mmcf/d, 960 psig WHP for 48 hours.

[5] Macan Gedang test duration was approximately 2 days and produced 4.6 mmcf/d through a 48/64" choke.

[6] NSAI 2023 Report: Resource Report prepared by Netherland, Sewell & Associates, Inc., an independent reserves evaluator and auditor, dated February 6, 2023 with an effective date of December 31, 2022 (the "NSAI Report"), which was prepared in accordance with the definitions, standards, and procedures contained in the Canadian National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities. The Resource Report is available in the Annual Information Form on Criterium's SEDAR profile.

Abbreviations

API	American Petroleum Institute (gravity)
CEQ	Criterium Energy Ltd.

bbls	barrels of oil
bbls/d	barrels of oil per day
bcf	billion cubic feet
boe	barrel of oil equivalent
boe/d	barrels of oil equivalent per day
ERCE	ERCE Australia Pty Ltd
FSA	Facility Sharing Agreement
FTHP	Flowing Tubing Head Pressure
LOI	Letter of intent
mmbtu	million British thermal units
mmcf	million cubic feet
mmcf/d	million cubic feet per day
MOU	Memorandum of Understanding
MGH	Mengoepeh
N-MGH	North Mengoepeh
PLT	Pematang Lantih
PSC	Production Sharing Contract
PSIG	Pounds per Square Inch Gauge
SE-MGH	Southeast Mengoepeh
SEM-01	Southeast Mengoepeh Well 01
SKK MIGAS	Indonesia's Oil & Gas Regulator
TAF	Talang Aker Formation
TGI	Transportasi Gas Indonesia
TSXV	TSX Venture Exchange
WHP	Well Head Pressure

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.

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, 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: 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.

Non-IFRS and Other Financial Measures

Throughout this press release and other materials disclosed by the Company, Criterium uses certain measures to analyze financial performance, financial position and cash flow. These non-IFRS and other specified financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-IFRS and other specified financial measures should not be considered alternatives to, or more meaningful than, financial measures that are determined in accordance with IFRS as indicators of Criterium's performance. Management believes that the presentation of these non-IFRS and other specified financial measures provides useful information to shareholders and investors in understanding and evaluating the Company's ongoing operating performance, and the measures provide increased transparency and the ability to better analyze Criterium's business performance against prior periods on a comparable basis.

Operating Netback per bbl

Operating netback per bbl equals petroleum sales less royalties and net opex calculated on a per bbl basis. Management considers operating netback per bbl an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.