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Pieridae Energy Corporate Presentation

PIERIDAE
ENERGY 

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Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of resources estimates, environmental risks, competition from other producers, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources and the risk factors outlined under "Risk Factors" in the Company's most recently published Annual Information Form. The recovery and resource estimates of Pieridae's reserves provided herein are estimates only and there is no guarantee that the estimated resources will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements.

Forward-looking statements are based on a number of factors and assumptions which have been used to develop such forward-looking statements, but which may prove to be incorrect. Although Pieridae believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this presentation, undue reliance should not be placed on forward-looking statements because Pieridae can give no assurance that such expectations will prove to be correct.

In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Pieridae operates; the timely receipt of any required regulatory approvals; the ability of Pieridae to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability of the operator of the projects which Pieridae has an interest in, to operate the field in a safe, efficient and effective manner; the ability of Pieridae to obtain financing on acceptable terms; the ability to replace and expand oil and natural gas resources through acquisition, development and exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of Pieridae to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Pieridae operates; timing and amount of capital expenditures, future sources of funding, production levels, weather conditions, success of exploration and development activities, access to gathering, processing and pipeline systems, advancing technologies, and the ability of Pieridae to successfully market its oil and natural gas products.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect Pieridae's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), and at Pieridae's website (www.pieridaenergy.com). Although the forward-looking statements contained herein are based upon assumptions which management believes are reasonable in the circumstances, management cannot offer any assurance that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and Pieridae assumes no obligation to update or review them to reflect new events or circumstances except as required by applicable securities laws.

Statements relating to "reserves" are forward looking statements due to the fact that they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. There are numerous uncertainties inherent in estimating quantities of reserves of natural gas, natural gas liquids and other commodities and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth above are estimates only. In general, estimates of economically recoverable reserves of natural gas, natural gas liquids and other commodities and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For these reasons, estimates of the economically recoverable reserves of natural gas, natural gas liquids and other commodities attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. Pieridae's actual production from its reserves and the revenues, taxes and development and operating expenditures generated or incurred with respect to its reserves will vary from estimates thereof and such variations could be material.

Barrels of oil equivalent ("boes") may be misleading, particularly if used in isolation. A boe conversion ratio of 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.



Recent Developments



Who We Are

Largest Foothills Producer in North America.

Committed to net-zero emissions by 2050.

Looking at options for a reconfigured Floating LNG Project that fits with the current environment.

Pieridae Market Snapshot

Ticker Symbol – TSX	PEA.TO
Share Count	157,645,871 ¹
Enterprise Value	456 million ¹
Full Time Employees	270 ¹

(1) Values as of March 30, 2022.



Operations Update

Production decline successfully mitigated year over year, marginally decreasing from 42,000 boe/d in 2020 to 40,562 boe/d in 2021, a 3% decline.

Production in Q4 2021 decreased 8% compared to Q4 2020 due to temporary well shut-ins in Central Alberta resulting from a partner dispute, an unplanned outage at Waterton gas plant for maintenance repairs, unseasonably cold weather in December, and normal production declines.

Base 2021 production decline of 8% successfully mitigated through low-cost optimization and maintenance activities.

Q4 2021 Pieridae Production and Assets

Production of 40,562 boe/d:
199.8 MMcf/d of natural gas (33,299 boe/d)
4,386 bbl/d of natural gas liquids
2,877 bbl/d of condensate

Owner or working interest in six gas plants and approximately 25 major facilities

~ 3,800 km pipelines

~\$4 billion midstream replacement value

~ One million net acres

~ 8-10% decline



Company Strategic Review Completed

The Review concluded January 24, 2022.

The goal was to consider a range of strategic alternatives that would enhance shareholder value.

A special Board committee, working with Peters & Co., concluded the various alternatives presented were not compelling relative to the Company's stand-alone prospects.

The full Board approved this recommendation and the Company will now focus on moving Pieridae proactively forward.





Strategic Path Forward

The primary focus of Pieridae changes from an integrated LNG company with an upstream business to an upstream company with a potential LNG option.

2022 main focus areas: refinancing company debt, operate our assets as efficiently as possible.

We also need to show the marketplace the Foothills are an economic place to develop oil and gas resources that are competitive with the Montney.





Two Successful Major Turnarounds in 2021

Two planned major gas plant turnarounds, or maintenance shutdowns, were successfully completed at our Jumping Pound and Caroline gas complexes.

Both were completed within Budgeted cost and time expectations, with no significant health, safety, or environmental (HSE) incidents despite up to 300 staff and contractors on site at times.

Despite these turnarounds being conducted during the COVID-19 pandemic, they were completed without any degree of interruption – a testament to the efforts of the entire Pieridae team.

These projects were completed to support our commitment to safe, reliable and regulatory compliant operations.





Resilient Reserves

Stronger pricing, offset by higher maintenance and cost assumptions, resulted in a 15% reduction in PDP NPV10 despite 3% higher reserve volume in 2021 as compared to 2020.

Additional undeveloped drilling locations increased both reserve value and volume in 1P and 2P as compared to 2020.

2021 production volumes were replaced through favourable pricing, technical revisions and additional undeveloped drilling locations, yielding attractive reserve replacement ratios.

Reserves Category	YEAR-END 2021 RESERVES			CHANGE FROM YE 2020 (%)		RESERVE REPLACEMENT (%)
	NPV10 (\$ MM)	Volume (MMboe)	\$/boe	NPV10	Volume	
Proved Developed Producing (PDP)	427.7	131.3	3.26	(15)	3	124
Proved Undeveloped (PUD)	292.0	43.2	6.76	75	47	
Total Proved (TP)	752.2	202.6	3.71	5	15	281
Proved + Probable Undeveloped (P+PUD)	442.0	64.2	6.88	59	41	
Total Proved + Probable (TPP)	1,002.1	269.2	3.72	3	13	306



2022 Proposed Drilling Program

2022 Budget includes \$21.4 MM development capital for a three-well drilling program kicking-off in Q4 2022, finishing in the first half of 2023.

Flexibility to accelerate the program to Q3 if pricing remains high and cashflow looks good.

Our geotechnical and engineering teams have identified 222 net locations on existing Company acreage, with 430 additional drilling locations identified on adjacent acreage.

These nearly 700 drilling locations create opportunity to grow the assets, fill the infrastructure and gas plants, provide feedstock for a future LNG project, and make our overall business more efficient.





AER Shell Licence Transfer – Committed to Finding a Solution

On January 31, 2022, Shell and Pieridae filed a request with the Alberta Energy Regulator (AER) to withdraw the licence transfer application for the Foothills assets from Shell to Pieridae.

The AER approved the request.

After recent changes to AER regulations, both Shell and Pieridae have decided to revise the application and resubmit at a future date under the new regulatory framework.

Pieridae continues to own the Foothills Assets and has responsibility for their continued safe operation. Shell remains the licensee of record.





COVID-19 – Turning the Page

Early March saw the beginning of a return to the work environment at Pieridae.

The company feels it is important to restart both culture building and in-person collaboration. Being able to see each other face to face is the best way to accomplish both goals.

Employees and contractors deserve recognition for adjusting to a sometimes extremely difficult work environment over the last two years. Pieridae navigated its way through the COVID quagmire without suffering any significant loss of productivity, and in many instances thriving.

A tangible example of this was a pair of large turnarounds, which are planned maintenance shutdowns, at two of our gas complexes: Jumping Pound and Caroline.

Both were safely completed very close to budget and on time and that took a significant amount of planning and effort.





Potential Floating LNG Project



An Option to Supply Canadian Natural Gas to Europe

Early in 2022, we became witness to rising tensions between Russia and Ukraine which placed global energy security of supply front and centre.

Pieridae has a potential solution that would allow Canada to take a leadership role in supplying much needed natural gas overseas for 20-30 years, dealing with global supply issues and a reliance on Russian gas.

We feel based on what is happening in Ukraine that we have an obligation as a country to help resolve these global issues.

Exports of Canadian net zero LNG in the immediate short term (three to four years).

Net zero CO₂ emissions through a proposed large-scale carbon capture and storage facility in Alberta.

Potential partnership with the Nova Scotia Mi'kmaq.



Issues to Resolve for Project to Happen

Investment partner.

Resolution of First Nations participation.

Definitive GHG emissions plan in Nova Scotia.

Pipeline transportation issues –
TC Energy.





Q4 2021 & Year-End Results



2021 Results – Revenue and Pricing

(\$ 000s unless otherwise noted)	2021					2020				
	Annual	Q4	Q3	Q2	Q1	Annual	Q4	Q3	Q2	Q1
Production										
Natural gas (mcf/day)	199,793	198,596	191,439	194,232	215,179	201,040	212,220	184,080	208,689	199,234
Condensate (bbl/day)	2,877	2,851	2,555	2,950	3,158	3,020	3,259	2,807	3,166	2,850
NGLs (bbl/day)	4,386	5,354	4,133	3,083	4,975	5,473	6,171	4,722	5,843	5,156
Sulphur (ton/day)	1,530	1,185	1,518	1,710	1,713	1,985	1,829	2,232	1,970	1,906
Total production (boe/d) ⁽¹⁾	40,562	41,304	38,595	38,404	43,997	42,000	44,800	38,209	43,791	41,211
Prices										
Benchmark natural (\$/mcf)	3.63	4.69	3.59	3.11	3.16	2.26	2.67	2.14	1.98	1.94
Benchmark condensate (\$/bbl)	85.95	100.10	70.25	64.82	59.05	50.17	56.01	38.40	35.83	46.83
Realized natural gas (\$/mcf)	2.90	3.67	2.70	2.59	2.63	2.00	2.16	1.70	1.87	2.25
Realized condensate (\$/bbl)	63.21	69.71	65.33	68.08	58.40	51.24	53.48	44.67	39.94	67.74
Revenue										
Commodity	334,655	104,448	77,089	71,397	81,721	250,787	70,720	48,347	62,484	69,236
Third Party	18,555	3,355	4,232	5,120	5,848	28,695	6,289	7,395	7,560	7,451
Total Revenue	353,210	107,803	81,321	76,517	87,569	279,482	77,009	55,742	70,044	76,687
Revenue Per BOE	23.86	28.37	22.90	21.89	22.11	18.23	18.68	15.86	17.58	20.68

(1) Total production excludes sulphur



2021 Results – Income and Cash Flow

(\$ 000s unless otherwise noted)	2021					2020				
	Annual	Q4	Q3	Q2	Q1	Annual	Q4	Q3	Q2	Q1
Net Income (Loss)	(39,790)	4,661	(14,846)	(10,058)	(19,547)	(100,693)	(45,968)	(29,845)	(13,396)	(11,484)
Net Income (Loss)/share	(0.24)	0.03	(0.09)	(0.06)	(0.12)	(0.64)	(0.29)	(0.19)	(0.09)	(0.07)
Net Operating Income	84,085	30,845	17,920	14,444	20,876	50,723	12,829	(646)	19,301	19,239
Cash flow from operations	51,117	21,139	6,885	12,093	11,000	2,234	2,362	(4,541)	(2,013)	6,426
AFFO	57,692	23,317	10,981	8,516	14,878	26,866	8,535	(6,779)	12,466	12,644



Hedging Update

Pieridae hedges production primarily through the use of fixed-price forward sales contracts; does not apply hedge accounting or mark the portfolio through the Income Statement.

60% 18-month rolling average production hedge waiver extended to end of August 2022.

Average hedge price of \$2.92/GJ for natural gas and \$107.98/bbl for condensate.

Existing hedge contracts are incorporated into 2022 Outlook .





2022 Outlook

<i>(\$ 000s unless otherwise noted)</i>	2021 Actual Results	2022 Guidance
Total production (boe/d)	40,562	39,000 – 42,000
Net operating income (NOI) ⁽¹⁾⁽²⁾	84,085	100,000 – 130,000
Implied Operating Netback (\$/boe) ⁽²⁾	5.68	7.02 – 8.48
Sustaining capital expenditures ⁽³⁾	26,488	17,000 – 22,000
Development capital expenditures ⁽⁴⁾	7,212	17,000 – 25,000

We expect to continue to mitigate decline through high-IRR field optimization capital investment.

Revenue and NOI outlook impacted by commodity volatility. Outlook assumes conservative average 2022 AECO of \$3.83/mcf, and average WTI of US\$80.28/bbl.

Sustaining capital (maintenance) comprised of capital maintenance projects, pre-spending for the 2023 Waterton plant turnaround, reclamation work, and completion of our seismic purchase.

Development capital comprised of optimization activities, and a potential Q4 drilling program.

(1) Refer to the “non-GAAP measures” section on page 20 of the Company’s latest MD&A.

(2) 2022 outlook assumes average 2022 AECO price of \$3.83/mcf and average 2022 WTI price of USD\$80.28/bbl and accounts for fixed price forward commodity sales contracts as of March 22, 2022

(3) Comprised of facility maintenance and turnaround capital expenditures

(4) Comprised of seismic, development and land capital expenditures



Leadership and Company Advantages



Industry Experienced Management Team

Management

Alfred Sorensen

President, CEO & Director

- Founder of Continental Energy Marketing Ltd
- Former President of Duke Energy Canada
- Former President of Duke Energy Europe, London, UK
- Founder of Galveston LNG and the Kitimat LNG project in British Columbia

Darcy Reding P.Eng

President & Chief Operating Officer

- 30+ years of upstream oil & gas experience
- Former VP Operations and VP Operations & Geoscience at NAL Resources
- 20 years in leadership roles
- Proven success in creating and executing corporate and ESG strategies

Adam Gray

Chief Financial Officer

- 15+ years oil & gas & government experience
- Former Pieridae VP and Controller
- Managed commercial finance & accounting for North West Redwater Partnership
- Chartered Professional Accountant (CPA)

Yvonne McLeod

VP Production, HSER, Drilling & Completions

- Professional Engineer with 25+ years international and domestic experience with drilling and completion engineering in Trinidad, Alaska, Peru, Canada and the U.S.
- Former VP operations, drilling and completion with Ikkuma Resources and Manito Energy
- Former technical and engineering leadership rolls in Talisman and Exxon.

Thomas Dawson

SVP Marketing & Business Development

- Founder of Galveston LNG and the Kitimat LNG project in British Columbia
- Over 25 years of leadership experience in the global energy industry
- Previously with Duke Energy, Engage Energy and Coastal Corp

Independent Directors

Myron Tétreault - Chairman

President, Calafate Holdings

Andrew Judson

Director, Daytona Power Corp.

Charles Boulanger

CEO, Leddartech Inc.

Kjell Pedersen

*Former Director,
Det Norske Oljeselskap
AS*

Charle Gamba

*President, CEO Canacol
Energy Ltd.*

Kiren Singh

Financial Executive and Corporate Director



Pieridae Advantage

Veteran management team with extensive upstream and midstream experience.

Largest North American Foothills producer with more than one million net acres.

Committed to net-zero emissions by 2050 through carbon capture and other technologies.

Potential net-zero LNG Project that would allow Canada to supply much needed natural gas overseas for 20-30 years, dealing with global supply issues.

Released first-ever ESG Report in 2021 as we provide the energy to fuel people's lives through the transition to a lower carbon world.

Trusted relationships with Indigenous Peoples, local communities, Canadian Federal and Provincial governments.





Thank you.

