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## **PIERIDAE RELEASES Q1 2022 RESULTS**

*Higher Commodity Prices, Cost Discipline Drive a 127% Increase in Net Operating Income  
Growing Interest in Proposed LNG Project*

### **Highlights**

- During Q1 2022:
  - Generated Net Operating Income<sup>1</sup> (“NOI”) of \$47.3 million (\$0.30 per basic and fully diluted share), up 127% from the comparable period in 2021;
  - Generated Adjusted Funds Flow from Operations<sup>1</sup> (“AFFO”) of \$45.1 million (\$0.29 per basic and fully diluted share), up 203%; generated net income of \$10.5 million (\$0.07 per basic and fully diluted share), up 154% from the comparable period in 2021;
  - Generated petroleum and natural gas revenue of \$129.8 million, up 48% from the comparable period in 2021;
  - Netback per boe increased 146% to \$12.98/boe from \$5.27/boe in the comparable period in 2021;
  - Total production of 40,491 boe/day weighted 77% to natural gas production of 188 MMcf/day;
- Subsequent to the quarter end, repaid \$6.7 million of senior term debt maturing October 16, 2023;
- Proposed East Coast LNG Project continues to generate broad stakeholder interest

**CALGARY, ALBERTA – May 12, 2022 - Pieridae Energy Limited (“Pieridae” or the “Company”) (PEA.TO)** released its Q1 2022 financial and operating results today, highlighted by the positive impact higher commodity prices have had on our business, resulting in material increases in NOI, AFFO, net income, petroleum and natural gas revenue, and netback per boe.

“We achieved solid financial results, managed our costs and, subsequent to the end of the quarter, began to reduce our debt principal. Higher commodity prices have allowed us to make meaningful progress on our plan and we forecast strong cash flows for the remainder of 2022. We committed to shareholders that we would right the ship and we are doing so,” said Pieridae’s Chief Executive Officer Alfred Sorensen. “Our leadership team will continue to focus on refinancing and repayment of our debt, as well as demonstrating that the conventional Foothills play is a competitive supplier of natural gas in the Western Canada Sedimentary Basin and throughout North America.”

“The invasion of Ukraine and the global issues it created has moved countries to aggressively look for alternate, secure supplies of natural gas away from Russia. Pieridae’s proposed net-zero LNG export project off the East Coast continues to make sense and conversations with a broad list of stakeholders are ongoing as many want to

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<sup>1</sup> Refer to the “non-GAAP measures” section on pages 13-14 of the Company’s Q1 2022 MD&A.

see Canada offer leadership in a meaningful way to support a long-term solution by providing Canadian natural gas overseas in an environmentally and socially responsible manner.”

## Production

Production in the first quarter of 2022 averaged 40,491 boe/day in Q1 2022, a decrease 8% from 43,997 boe/day in Q1 2021 and was significantly impacted by the January 2022 temporary shut-in of production in Central Alberta due to a commercial dispute, which was amicably resolved later in the same month. Pieridae also experienced unplanned maintenance downtime at the Waterton and Jumping Pound facilities. First quarter 2022 production compared to the fourth quarter of 2021 was consistent.

## Q1 2022 Financial Highlights

	2022	2021				2020		
(\$ 000 unless otherwise stated)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Production</b>								
Natural gas (mcf/day)	187,719	198,596	191,439	194,232	215,179	212,220	184,080	208,689
Condensate (bbl/day)	3,201	2,851	2,555	2,950	3,158	3,259	2,807	3,166
NGLs (bbl/day)	6,003	5,354	4,133	3,083	4,975	6,171	4,722	5,843
Sulphur (ton/day)	1,599	1,185	1,518	1,710	1,713	1,829	2,232	1,970
Total production (boe/d)	40,491	41,304	38,595	38,404	43,997	44,800	38,209	43,791
<b>Financial</b>								
Realized natural gas price (\$/mcf)	4.08	3.67	2.7	2.59	2.63	2.16	1.7	1.87
Benchmark natural gas price (\$/mcf)	4.75	4.69	3.59	3.11	3.16	2.67	2.14	1.98
Realized condensate price (\$/bbl)	106.13	69.71	65.33	68.08	58.4	53.48	44.67	39.94
Benchmark condensate price (\$/bbl)	122.62	100.1	70.25	64.82	59.05	56.01	38.4	35.83
Net income (loss)	10,549	4,661	(14,846)	(10,058)	(19,547)	(45,968)	(29,845)	(13,396)
Net income (loss) per share, basic	0.07	0.03	(0.09)	(0.06)	(0.12)	(0.29)	(0.19)	(0.09)
Net income (loss) per share, diluted	0.07	0.03	(0.09)	(0.06)	(0.12)	(0.29)	(0.19)	(0.09)
Net operating income (loss) <sup>(1)</sup>	47,295	30,845	17,920	14,444	20,876	12,829	(646)	19,301
Cashflow provided by (used in)	3,212	21,139	6,885	12,093	11,000	2,362	(4,541)	(2,013)
Adjusted funds flow from operations <sup>(1)</sup>	45,144	23,317	10,981	8,516	14,878	8,535	(6,779)	12,466
Total assets	552,781	622,540	560,782	575,690	557,696	612,651	583,942	588,415
Working capital (deficit) surplus	(64,413)	(87,665)	(52,534)	(47,862)	(28,314)	(19,615)	(9,164)	15,109
Capital expenditures	3,534	1,493	9,852	17,959	5,668	8,926	6,033	264
Development expenses	-	225	783	(4,862)	8,604	8,682	2,472	4,129

<sup>(1)</sup> Refer to the “non-GAAP measures” section on pages 13-14 of the Company’s Q1 2022 MD&A.

## Netback

	2022	2021				2020		
(\$ per BOE)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total Revenue	35.61	28.37	22.90	21.89	22.11	18.68	15.86	17.58
Royalties	5.25	4.65	1.70	1.11	0.97	1.07	0.34	0.35
Operating	15.72	14.17	14.84	15.41	14.70	13.46	14.66	11.40
Transportation	1.66	1.42	1.32	1.24	1.17	1.04	1.04	0.99
<b>Netback (\$/boe)</b>	<b>12.98</b>	<b>8.12</b>	<b>5.05</b>	<b>4.13</b>	<b>5.27</b>	<b>3.11</b>	<b>(0.18)</b>	<b>4.84</b>

## Commodity Pricing and Hedge Position

Energy markets have seen a drastic change in fundamentals between 2021 and 2022. The AECO monthly natural gas price index increased 51% in the first quarter of 2022 compared to 2021. Average North American crude oil prices increased 64% in the first quarter of 2022 compared to the first quarter of 2021 based upon WTI futures pricing Canadian condensate differentials to WTI also improved due to typical seasonal factors, including strong oil sands production and competition for imported supply. The start-up of Enbridge’s recently expanded Line 3 pipeline has provided significant additional capacity to accommodate growing Canadian crude oil production.

As a result of these market factors, Pieridae’s average realized natural gas price was \$4.08/Mcf, which includes the impact of fixed price natural gas forward sales contracts settled during the quarter. 68,596 GJ/d of fixed price natural gas contracts are in place at a weighted-average price of \$2.64/GJ over a term of 12 months as of March 31, 2022.

Pieridae’s realized condensate price was \$106.13/bbl. Physical fixed-price forward condensate sales contracts (C\$WTI basis) are in place averaging 553 bbl/d for the balance of the year 2022 at an average price of C\$108.02/bbl. Subsequent to quarter end, Pieridae added an additional condensate forward sales contract (C\$WTI basis) for 500 bbl/d at C\$123.59 for July to December 2022.

## 2022 Guidance

Pieridae’s near-term priority is to continue to improve flexibility by strengthening the balance sheet, sustaining production, implementing cost control initiatives, optimizing infrastructure logistics and executing non-core asset dispositions. Subject to final approval, planning for a modest drilling program in the second half of 2022 is currently underway. This drilling program would continue into Q1 2023, with additional 2023 drilling contingent on success of the initial 2022 drilling program, commodity pricing, and cash flow. If successful, production from the initial drilling program would commence in Q1 2023.

Pieridae’s Board of Directors approved the 2022 budget in November 2021. The chart below highlights the Company’s updated guidance reflecting higher commodity process for the balance of 2022:

<i>(\$ 000s unless otherwise noted)</i>	2022 Guidance - Low	2022 Guidance - High
Total production (boe/d)	39,000	42,000
Net operating income <sup>(1)(2)</sup>	120,000	160,000
Implied Operating Netback (\$/boe) <sup>(2)</sup>	9.00	11.00
Sustaining capital expenditures <sup>(3)</sup>	17,000	22,000
Development capital expenditures <sup>(4)</sup>	17,000	25,000

<sup>(1)</sup> Refer to the “non-GAAP measures” section on pages 13-14 of the Company’s Q1 2022 MD&A.

<sup>(2)</sup> 2022 outlook assumes average 2022 AECO price of \$4.96/Mcf and average 2022 WTI price of USD\$88.09/bbl and accounts for fixed price forward commodity sales contracts as of March 31, 2022

<sup>(3)</sup> Comprised of facility maintenance and turnaround capital expenditures

<sup>(4)</sup> Comprised of seismic, development and land capital expenditures

## About Pieridae

Pieridae is a majority Canadian-owned corporation based in Calgary that was founded in 2011. The Company is focused on the exploration, extraction and processing of natural gas as well as analyzing options for a reconfigured LNG Project that fits with the current environment and would supply Europe and other markets. Pieridae provides the energy to fuel people's daily lives while supporting the environment and the transition to a lower-carbon economy. After completion of all the transactions disclosed in this news release, Pieridae has 157,641,871 common shares issued and outstanding which trade on the TSX (PEA.TO).

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## Forward-Looking Statements

Certain statements contained herein may constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws (collectively "forward-looking statements"). Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue", "shall", "estimate", "expect", "propose", "might", "project", "predict", "forecast" and similar expressions may be used to identify these forward-looking statements.

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 or synergies from 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" and elsewhere herein. The recovery and resources estimate 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, 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 commodity 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](http://www.sedar.com)), and at Pieridae's website ([www.pieridaeenergy.com](http://www.pieridaeenergy.com)). Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure 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.

Forward-looking statements contained herein concerning the oil and gas industry and Pieridae's general expectations concerning this industry are based on estimates prepared by management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which Pieridae believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While Pieridae is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

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.

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