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## PIERIDAE RELEASES Q3 2022 RESULTS

### *Year-Over-Year Improvement in Financial Metrics and Continued Deleveraging*

**CALGARY, ALBERTA – November 10, 2022 - Pieridae Energy Limited (“Pieridae” or the “Company”) (PEA.TO)** announces the release of its third quarter 2022 financial and operating results, highlighted by year-over-year improvement in financial metrics such as Revenue, Net Operating Income and Adjusted Funds Flow and continued debt reduction. A full version of Pieridae’s management’s discussion and analysis (“MD&A”) and unaudited interim condensed consolidated financial statements and notes thereto for the fiscal period ended September 30, 2022 are available at [www.pieridaenergy.com](http://www.pieridaenergy.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### Highlights

During Q3 2022 Pieridae:

- Generated quarterly Revenue of \$113.3 million up 39% from \$81.3 million in the comparable period in 2021;
- Generated quarterly Net Operating Income<sup>1</sup> of \$30.0 million (\$0.19 per basic and fully diluted share) up 67% from \$17.9 million in the comparable period in 2021;
- Generated Adjusted Funds Flow from Operations<sup>1</sup> of \$22.2 million, up 102% from \$11.0 million in Q3 2021;
- Realized net loss of \$1.6 million (\$0.01 per basic and fully diluted share), an improvement of 89% from a net loss of \$14.8 million (\$0.09 per basic and fully diluted share) in the comparable period in 2021;
- Produced 35,959 boe/d (weighted 84% to natural gas) down 5% from the comparable period in 2021, due primarily to the previously discussed re-injection of ethane volumes into the sales gas stream, and management’s decision to shut-in a portion of production for a short period in response to volatile AECO gas prices during the quarter; and
- Repaid \$15.3 million of senior secured term loan, reducing the amount due at maturity to \$227.8 million<sup>2</sup>.

“During the third quarter we generated strong cash flow despite volatile commodity prices and the decision to curtail production for a short time in August. We also reduced our debt by \$15 million during the quarter,” said Pieridae’s Chief Executive Officer Alfred Sorensen. “Additionally, we are pleased to report that subsequent to the end of the third quarter, the Company commenced its previously announced Fall drilling program in the Brown Creek / Stolberg area.”

<sup>1</sup> Refer to the “non-GAAP measures” section of the Company’s Q3 2022 MD&A.

<sup>2</sup> Includes \$50 million non interest-bearing deferred fee due at maturity

## Selected Q3 2022 Operational & Financial Results

	2022			2021				2020
<i>(\$ 000 unless otherwise stated)</i>	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Production</b>								
Natural gas (mcf/day)	181,030	178,918	187,719	198,596	191,439	194,232	215,179	212,220
Condensate (bbl/day)	2,911	2,864	3,201	2,851	2,555	2,950	3,158	3,259
NGLs (bbl/day)	2,876	3,695	6,003	5,354	4,133	3,083	4,975	6,171
Sulphur (tonne/day)	1,312	1,530	1,599	1,185	1,518	1,710	1,713	1,829
Total production (boe/d)	35,959	36,378	40,491	41,304	38,595	38,404	43,997	44,800
<b>Financial</b>								
Realized natural gas price before physical commodity contracts (\$/mcf)	4.38	7.13	4.66	4.62	3.58	3.10	3.12	1.96
Realized natural gas price after physical commodity contracts (\$/mcf)	3.62	4.67	4.08	3.67	2.7	2.59	2.63	2.16
Benchmark natural gas price (\$/mcf)	4.28	7.22	4.75	4.69	3.59	3.11	3.16	2.67
Realized condensate price before physical commodity contracts (\$/bbl)	103.71	132.60	112.09	91.69	85.25	76.72	68.85	53.48
Realized condensate price after physical commodity contracts (\$/bbl)	105.82	116.61	106.13	69.71	65.33	68.08	58.4	53.48
Benchmark condensate price (\$/bbl)	115.66	132.49	122.62	100.1	70.25	64.82	59.05	56.01
Net income (loss)	(1,573)	22,982	10,549	4,661	(14,846)	(10,058)	(19,547)	(45,968)
Net income (loss) per share, basic	(0.01)	0.15	0.07	0.03	(0.09)	(0.06)	(0.12)	(0.29)
Net income (loss) per share, diluted	(0.01)	0.14	0.07	0.03	(0.09)	(0.06)	(0.12)	(0.29)
Net operating income (loss) <sup>(1)</sup>	30,014	55,969	47,295	30,845	17,920	14,444	20,876	12,829
Cashflow provided by (used in) operating activities	9,899	34,922	3,212	21,139	6,885	12,093	11,000	2,362
Adjusted funds flow from operations <sup>(1)</sup>	22,224	48,710	45,144	23,317	10,981	8,516	14,878	8,535
Total assets	473,642	499,580	552,781	622,540	560,782	575,690	557,696	612,651
Working capital (deficit) surplus	(63,245)	(61,634)	(64,413)	(87,665)	(52,534)	(47,862)	(28,314)	(19,615)
Capital expenditures	7,216	9,739	3,534	1,493	9,852	17,959	5,668	8,926
Development expenses	-	-	-	225	783	(4,862)	8,604	8,682

<sup>(1)</sup> Refer to the "non-GAAP measures" section of the Company's Q3 2022 MD&A.

## Operating Netback

	2022			2021			
<i>(\$ per BOE)</i>	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue before physical commodity contracts	35.54	52.94	37.04	33.53	27.40	24.28	23.82
Loss on physical commodity contracts	(3.64)	(13.34)	(3.18)	(6.04)	(5.69)	(3.86)	(3.19)
Third party processing and other income	2.34	2.27	1.75	0.88	1.19	1.47	1.48
Royalties	(6.33)	(7.08)	(5.25)	(4.65)	(1.70)	(1.11)	(0.97)
Operating	(17.36)	(16.00)	(15.72)	(14.17)	(14.84)	(15.41)	(14.70)
Transportation	(1.48)	(1.89)	(1.66)	(1.42)	(1.32)	(1.24)	(1.17)
<b>Netback (\$/boe)</b>	<b>9.07</b>	<b>16.90</b>	<b>12.98</b>	<b>8.13</b>	<b>5.04</b>	<b>4.13</b>	<b>5.27</b>

## Commodity Pricing and Hedge Position

Commencing the third week of August 2022, daily AECO spot prices dropped significantly as a result of pipeline maintenance on TC Energy's Nova Gas Transmission Line ("NGTL") and Enbridge's Transportation South ("T-South") systems, an unplanned compressor failure in Alberta and restrictions to gas storage injections. These pipelines connect most of the natural gas production in Western Canada to domestic and export markets, and the pipeline downtime created negative AECO spot prices as volumes were unable to be transported to local and international terminals. Subsequently, current AECO prices have rebounded, however, AECO prices have remained volatile through September and October as further maintenance on the NGTL system was completed.

Notwithstanding the fluctuation in the daily spot AECO pricing during the quarter, the AECO monthly natural gas price index increased 19% in the third quarter of 2022 compared to 2021. Average North American crude oil prices increased 30% in the third quarter of 2022 compared to the third quarter of 2021 based on persistent supply constraints and market uncertainty due to ongoing geopolitical events.

Pieridae's realized prices reflect the mix of spot sales and physical forward sales contracts consistent with the Company's hedging policy. In the nine months ended September 30, 2022, volumes sold under physical forward sales contracts represented 61% of total production and 43% of total revenue.

Nine months ended September 30, 2022	Average Realized Prices	Benchmark Prices
Natural Gas before physical commodity contracts (\$/mcf) <sup>(1)</sup>	5.37	5.41
Natural Gas after physical commodity contracts (\$/mcf) <sup>(1)</sup>	4.12	5.41
Condensate before physical commodity contracts (\$/bbl) <sup>(2)</sup>	115.89	123.56
Condensate after physical commodity contracts (\$/bbl) <sup>(2)</sup>	109.37	123.56
Sulphur (\$/tonne) <sup>(3)</sup>	47.93	395.61

<sup>(1)</sup> AECO 5A benchmark price (\$/mcf) assuming a 1.0551 gj/Mcf conversion rate

<sup>(2)</sup> Condensate benchmark price (\$/bbl)

<sup>(3)</sup> Sulphur (\$/tonne)

Pieridae's outstanding physical forward sales contracts are currently as follows:

after September 30, 2022	Natural Gas		Condensate	
	\$/gj	gj/d	\$/bbl	bbl/d
Q4 2022	4.47	98,641	130.54 <sup>3</sup>	1,000
Q1 2023	5.40	44,139	103.24 <sup>4</sup>	700
Q2 2023	4.82	27,500	103.24 <sup>4</sup>	700
Q3 2023	4.82	27,500	103.24 <sup>4</sup>	700
Q4 2023	4.82	9,266	-	-

Pieridae's outstanding financial risk management contracts are currently as follows:

	AECO Swap		WTI Swap		C5 WTI Differential Swap	
	\$/gj	gj/d	\$/bbl	bbl/d	\$/bbl	bbl/d
Q4 2022	5.54	842	-	-	-	-
Q1 2023	5.54	2,500	107.64	500	(4.67)	500
Q2 2023	3.94	2,500	107.64	500	(4.67)	500
Q3 2023	-	-	107.64	500	(4.67)	500

Pieridae will continue to hedge in order to mitigate commodity price volatility and protect the cash flow required to fund the Company's facility maintenance capital requirements, debt service obligations and capital development program while allowing the Company to participate in future commodity price upside.

<sup>3</sup> Condensate forward sale contracts settled against C\$WTI before the condensate differential

<sup>4</sup> Condensate forward sale contracts settled against C\$C5 after the condensate differential

## Production

Production in the third quarter of 2022 averaged 35,959 boe/d, a 5% decrease from 38,595 boe/d in Q3 2021, due to re-injection of ethane volumes into the gas stream and temporary shut-in of production due to AECO spot price volatility.

Pieridae had approximately 54% of its natural gas production hedged during the month of August. However, Pieridae determined it was prudent to temporarily shut-in certain gas wells during this period of extremely low spot AECO prices. As a result, the Company shut-in unhedged gas volumes (750 boe/d) for several days in our Lynx, Palliser, Moose and Tay areas.

As previously mentioned, Pieridae has re-injected liquid ethane (“C<sub>2</sub>”) back into the natural gas sales stream at two gas processing facilities during the quarter forgoing C<sub>2</sub> production of approximately 1,800 - 2,300 boe/d but increasing the heat content and value of the gas stream, resulting in no material impact to revenue. Pieridae expects to continue re-injecting liquid ethane into the gas stream for the remainder of the year and into 2023.

## Foothills Drilling Program

Subsequent to quarter end, the Company commenced its three well drilling program at Brown Creek and Stolberg in our Central Alberta Foothills area. The project will incur gross development capital costs during Q4 2022 and Q1 2023 of approximately \$27 million. Successful wells in these reservoirs provide significant upside potential of up to 39 additional drilling opportunities in the Central AB Foothills core area.

## 2022 Guidance

(\$ 000s unless otherwise noted)	Revised 2022 Guidance		Previous 2022 Guidance	
	Low	High	Low	High
Total production (boe/d)	37,500	39,500	37,500	39,500
Net operating income <sup>(1)(2)</sup>	160,000	180,000	150,000	180,000
Implied operating netback (\$/boe) <sup>(2)</sup>	12.00	14.00	12.00	14.00
Sustaining capital expenditures <sup>(3)</sup>	17,000	22,000	17,000	22,000
Development capital expenditures <sup>(4)</sup>	20,000	25,000	25,000	30,000

<sup>(1)</sup> Refer to the “non-GAAP measures” section of the Company’s Q3 2022 MD&A.

<sup>(2)</sup> 2022 outlook assumes average 2022 AECO price of \$5.22/Mcf and average 2022 WTI price of USD\$90.11/bbl and accounts for fixed price forward commodity sales contracts as of September 30, 2022

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

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

Pieridae’s priority is on improving financial flexibility by strengthening the balance sheet while sustaining production, implementing cost control initiatives, optimizing infrastructure logistics and executing non-core asset dispositions.

The Company’s 2022 development capital program guidance range has been decreased and narrowed to \$20 - 25 million reflecting small reductions in scope of optimization work and rescheduling of costs related to the Fall drilling program into the first quarter of 2023.

## Conference Call Details

A conference call to discuss the results will be held for the investment community on Thursday November 10, 2022 at 8.30 a.m. MDT/10.30 a.m. EDT. To participate in the conference webcast or call, you are asked to register using one of the links provided below. Details regarding the webcast or call will be provided to you upon registration.

**Webcast participants registration URL:**

<https://edge.media-server.com/mmc/p/7auri9ww>

**Live call participants registration URL:**

<https://register.vevent.com/register/BI2beb5d0ec7e844ceb99e6b15fcb3c019>

**About Pieridae**

Pieridae is a Canadian energy company headquartered in Calgary, Alberta that was founded in 2011. Through a number of corporate and asset acquisitions, we have grown into a significant upstream and midstream producer with assets concentrated in the Canadian Foothills, producing conventional natural gas, NGLs, condensate and sulphur. Pieridae provides the energy to fuel people's daily lives while supporting the environment and the transition to a lower-carbon economy. Pieridae's common shares trade on the TSX under the symbol "PEA".

For further information, visit [www.pieridaeenergy.com](http://www.pieridaeenergy.com), or please contact:

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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.pieridaenergy.com](http://www.pieridaenergy.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.

**Additional Reader Advisories**

Barrels of oil equivalent (“boe”) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

**Abbreviations**

<u>Natural Gas</u>		<u>Oil</u>	
mcf	thousand cubic feet	bbl/d	barrels per day
mcf/d	thousand cubic feet per day	boe/d	barrels of oil equivalent per day
mmcf/d	million cubic feet per day	WCS	Western Canadian Select
AECO	Alberta benchmark price for natural gas	WTI	West Texas Intermediate

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