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## PIERIDAE RELEASES Q3 2021 RESULTS

*Petroleum & Natural Gas Revenue Improves by 59% Year-Over-Year  
Company Strategic Review Progresses*

### Key Highlights:

- Natural gas production of 191 mmcf/day in the quarter
- Total production of 38,595 boe/day
- Petroleum and natural gas revenue of \$77.1 million, an increase of \$28.7 million or 59% compared to the same quarter in 2020
- Cash flow from operations of \$6.9 million
- Net Operating Income<sup>1</sup> (“NOI”) of \$17.9 million and Adjusted Funds Flow from Operations<sup>1</sup> (“AFFO”) of \$11.0 million, an increase of 262% compared to the same period in 2020
- Formal process announced in the summer of 2021 to identify, examine and consider a range of strategic alternatives with a view to enhancing shareholder value continues to progress

**CALGARY, ALBERTA – November 10, 2021 - Pieridae Energy Limited (“Pieridae” or the “Company”) (PEA.TO)** released its Q3 2021 financial and operating results today, highlighted by solid increases in petroleum and natural gas revenue and AFFO and the successful completion of the Company’s second major facility turnaround of 2021, at the Caroline Gas Complex.

“We maintained solid production and revenue in the quarter despite the scheduled shutdown of a second gas plant this year. I was pleased to see we were able to demonstrate our commitment to ‘safety first’ through this necessary maintenance, while keeping production up and taking advantage of increased commodity prices,” said Pieridae’s Chief Executive Officer Alfred Sorensen.

“The Strategic Review of the Company assisted by our advisor, Peters & Co., is progressing well and we remain hopeful it will result in a successful conclusion,” added Sorensen. “Pieridae formed a special Board committee in late July to oversee the identification, examination and consideration of a range of strategic alternatives with a view to enhancing shareholder value. We are advancing the review in a timely and constructive manner.

“Last quarter, the Company also announced it would analyze options that could make a reconfigured LNG initiative more compatible with the current environment. We are in the midst of a detailed analysis of a potential floating LNG Project, one that would produce net-negative GHG emissions, provide a bridge fuel to countries eager to switch from coal-fired to natural-gas-fuelled power facilities, provide an opportunity for Indigenous reconciliation and create much-needed jobs in Atlantic Canada and Alberta,” concluded Sorensen.

Pieridae deferred its Q2 earnings call due to the Strategic Review process and the analysis of alternatives for the Goldboro LNG Project. We will defer the call again this quarter but intend to schedule an update call for investors and analysts in late November should there be something material to report from the Strategic Review.

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<sup>1</sup> Refer to the “Non-GAAP measures” section on pages 13-15 of the Company’s Q3 2021 MD&A.

### Q3 2021 Financial Highlights

Pieridae produced an average of 38,595 boe/day during the third quarter, a 1% increase from the prior quarter, and a 1% increase from the comparative quarter in 2020. Pieridae continues to cost-effectively minimize the impact of our natural reserve declines by optimizing field activities, exercising low investment quit claims and conducting other asset consolidation activities.

A scheduled major turnaround of the Company's Caroline Gas Complex was successfully completed, the second major turnaround conducted on our midstream assets in 2021. The majority of Pieridae's production normally processed through Caroline was redirected to a third-party facility for the duration of the shutdown.

Third party pipeline maintenance also required Pieridae's Waterton Gas Plant to be shut down for eight days. We took advantage of that closure to complete previously deferred maintenance projects at the Plant.

The Company's realized natural gas price was \$2.70/mcf in the third quarter compared to an AECO benchmark of \$3.59/mcf. While below benchmark as a result of our fixed-price forward sales hedge portfolio, realized prices for natural gas were 4% higher compared to the second quarter of 2021 and 59% higher than the comparative quarter in 2020.

Since May 2020, Pieridae's senior secured lender Third Eye Capital Corporation has waived the requirement to hedge 60% of production on an 18-month rolling basis in order to allow the Company to benefit from strengthening crude and natural gas markets. As of September 30, 2021, Pieridae has hedged approximately 30% of production over the 18-month period ending March 2023. Natural gas hedges consist of roughly 65,231 GJ/d to March 2023 at an average of \$2.59/GJ. Condensate hedges consist of 1,500 bbl/day to December 2021 at an average price of \$54.95/bbl.

In the third quarter of 2021, Pieridae generated cashflow from operating activities of \$6.9 million and AFFO of \$11.0 million, an increase of \$17.8 million or 262% as compared to the same period in 2020. This was primarily due to the strength in revenues from higher commodity prices, partially offset by higher royalties and lower third-party processing income.

Petroleum and natural gas revenue in the third quarter of 2021 was \$77.1 million, an increase of \$28.7 million or 59% compared to the same quarter in 2020. Thus far this year, this revenue was \$230.2 million, an increase of \$62.8 million or 38% compared to the same period in 2020. The increase was primarily due to significant increases in year-to-date realized prices for natural gas (36%), condensate (21%) and NGLs (108%), as production was relatively consistent year over year in the third quarter.

Third party processing revenue is generated from fees charged to other companies for processing their production and sulphur volumes at our three sour gas plants and other facilities. This income adds significantly to the economic benefits at the facilities by helping offset their fixed operating costs. Q3 2021 third party processing income was \$3.6 million, a decrease of \$2.4 million or 40% compared to the same quarter in 2020. On a year-to-date basis, this revenue was \$12.3 million, a decrease of \$7.5 million or 38% compared to the same period in 2020. These decreases are due to third-party owned production assets being shut-in leading to lower throughput volumes, the Jumping Pound and Caroline turnarounds, and Pieridae's fall 2020 acquisition of working interest ownership in Waterton which lowered third party processing revenue while increasing Pieridae's own production volumes and revenues.

### Q3 2021 Operations Highlights

Third quarter 2021 production mentioned above of 38,595 boe/d was an increase of 386 boe/day or 1% compared to the same quarter in 2020. The increase was primarily due to higher production from properties in the Northern area partially offset by scheduled downtime at Caroline and Waterton.

Additionally, as a result of market fundamentals, ethane was reinjected back into the natural gas sales stream at two of Pieridae's gas processing facilities resulting in a 2% increase in natural gas heat content but negatively impacting production by 760 boe/day and 1,187 boe/day for the three and nine months ended September 30, 2021. Pieridae is compensated for the price differential when reinjecting ethane versus selling it, resulting in no material impact to revenue; however, production volume, and resulting per boe figures, are negatively impacted.

Through the first nine months of 2021, production has averaged 40,312 boe/d, a decrease of 748 boe/day or 2% compared to the same period in 2020. This was primarily due to downtime from the scheduled turnaround at the Jumping Pound Gas Complex and ethane reinjection into the natural gas stream, partially offset by incremental volumes from Pieridae's fall 2020 acquisition of working interest ownership in Waterton.

### Quarterly Highlights

	2021				2020			2019
(\$ 000s unless otherwise noted)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Production</b>								
Natural gas (mcf/day)	191,439	194,232	215,179	212,220	184,080	208,689	199,234	204,262
Condensate (bbl/day)	2,555	2,950	3,158	3,259	2,807	3,166	2,850	2,840
NGLs (bbl/day)	4,133	3,083	4,975	6,171	4,722	5,843	5,156	5,253
Sulphur (ton/day)	1,518	1,710	1,713	1,829	2,232	1,970	1,906	938
Total production (boe/d)	38,595	38,404	43,997	44,800	38,209	43,791	41,211	42,137
<b>Financial</b>								
Net loss	(14,846)	(10,058)	(19,547)	(45,968)	(29,845)	(13,396)	(11,484)	(25,873)
Net loss per share, basic and diluted	(0.09)	(0.06)	(0.12)	(0.29)	(0.19)	(0.09)	(0.07)	(0.18)
Net operating income (loss) <sup>(1)</sup>	17,920	14,444	20,876	12,829	(646)	19,301	19,239	24,470
Cashflow provided by (used in) operating activities	6,885	12,093	11,000	1,037	(4,541)	(2,013)	6,426	(17,748)
Adjusted funds flow from operations <sup>(1)</sup>	10,981	8,516	14,877	8,535	(6,779)	12,466	12,644	14,448
Total assets	560,782	575,690	557,696	612,651	583,942	588,415	609,437	602,474
Working capital (deficit) surplus	(52,534)	(47,862)	(28,314)	(19,615)	(9,164)	15,109	15,596	19,105
Capital expenditures	9,852	17,959	5,614	8,926	6,033	264	2,020	165,764
Development expenses	783	(4,862)	8,604	8,682	2,472	4,129	3,459	805

<sup>(1)</sup> Refer to the "Non-GAAP measures" section on pages 13-15 of the Company's Q3 2021 MD&A.

## COVID-19 Update

Pieridae remains committed to the health and safety of its employees as they continue to do a remarkable job operating our assets safely and reliably as the pandemic stretches into month 20.

In early July, a majority of Pieridae employees working from home returned to work following the Alberta Government lifting all restrictions. This return was short-lived, however, as many employees were back working from home in mid-September due to the provincial government re-introducing a mandated work from home policy.

The company continues to support health officials in urging vaccinations for all those who are able.

As a result of the ongoing vigilance by our staff, Pieridae has not suffered any significant loss of productivity due to COVID-19.

## Q3 2021 Developments

### Term Loan Deferred Fee Payment Date Delayed

Pieridae announced on October 12, 2021 it had reached an agreement with its senior secured lender Third Eye Capital Corporation (“TEC”) to delay payment of the \$50.0 million deferred fee owing under Pieridae’s Credit Agreement signed with TEC in October 2019. The deferred fee was to have been paid by October 16, 2021. The payment deadline has now been extended to the first business day of January 2022.

“I am pleased we have achieved this payment extension and want to thank TEC for their continued support of the Company and the Strategic Review currently underway with Peters & Co. that is focused on enhancing shareholder value,” said Pieridae’s Chief Executive Officer Alfred Sorensen in a news release. “This extension to the beginning of 2022 gives us the time to continue to pursue the Strategic Review process with the goal of concluding a transaction that is beneficial to the Company.”

## 2021 Guidance

The Company’s guidance was adjusted in the second quarter of 2021, with an updated production forecast of 40,000-42,500 boe/day for the remainder of the year, compared to previous guidance of 40,000-45,000 boe/day. We also guided NOI in the range of \$85-\$100 million, down from the previous forecast of \$100-\$130 million. Heading into the remainder of 2021, we are now guiding to the higher end of that \$85-\$100 million NOI range. As well, the Company updated the expectation for adjusted operating expenses per boe from \$9.50-\$10.50 to \$12.50-\$13.00 primarily due to increased power prices and processing fees for the rest of the year. The bulk of the Company’s \$35-\$45 million upstream capital budget continues to be invested to ensure the safe, reliable operation of our assets, including the successful completion of the Caroline Gas Complex turnaround in the third quarter.

## 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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