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PIERIDAE RELEASES Q2 2022 RESULTS

Record Net Operating Income of \$56 million Drives \$23 million in Debt Principal Repayment

CALGARY, ALBERTA – August 10, 2022 - Pieridae Energy Limited (“Pieridae” or the “Company”) (PEA.TO) announces the release of its second quarter 2022 financial and operating results, highlighted by record net operating income, material deleveraging and minor non-core asset divestitures.

Highlights

- During Q2 2022 Pieridae:
 - Generated record quarterly Net Operating Income¹ (“NOI”) of \$56.0 million (\$0.35 per basic and \$0.35 per fully diluted share) up 287% from \$14.4 million in the comparable period in 2021;
 - Generated Adjusted Funds Flow from Operations¹ (“AFFO”) of \$48.7 million (\$0.31 per basic and \$0.30 per fully diluted share), up 472% from \$8.5 million in Q2 2021;
 - Generated net income of \$23.0 million (\$0.15 per basic and \$0.14 per fully diluted share), up 328% from a net loss of \$10.1 million in the comparable period in 2021;
- Improved netback per boe by 309% to \$16.90/boe (\$30.24/boe excluding the impact of fixed price physical forward sales contracts) from \$4.13/boe in Q2 2021;
- Produced 36,378 boe/d weighted 82% to natural gas production of 179 MMcf/d, down 5% from the comparable period in 2021;
- Repaid \$23 million of senior secured term loan, reducing the amount due at maturity to \$243 million². Subsequent to quarter end, repaid an additional \$5.6 million, reducing the outstanding principal due at maturity to \$235 million; and
- Executed a binding agreement to dispose of certain minor non-core Northeast BC oil and gas properties to a third party, which is expected to close during Q4 2022.

“Strong commodity prices and steady operations coupled with rigorous operating cost management have resulted in a solid second quarter and we are very pleased to have repaid \$23 million of our term loan,” said Pieridae’s Chief Executive Officer Alfred Sorensen. “If commodity prices remain strong, Pieridae expects to generate significant free cash flow in the second half of 2022. We remain focused on safe and reliable operations, improving our financial flexibility through ongoing debt reduction, further asset rationalization and optimization, and commencing the Company’s previously announced inaugural three-well drilling program in October 2022.”

¹ Refer to the “non-GAAP measures” section on pages 5 and 15 of the Company’s Q2 2022 MD&A.

² Includes \$50 million non interest-bearing deferred fee due at maturity

Selected Q2 2022 Operational & Financial Results

(\$ 000 unless otherwise stated)	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Production								
Natural gas (mcf/day)	178,918	187,719	198,596	191,439	194,232	215,179	212,220	184,080
Condensate (bbl/day)	2,864	3,201	2,851	2,555	2,950	3,158	3,259	2,807
NGLs (bbl/day)	3,695	6,003	5,354	4,133	3,083	4,975	6,171	4,722
Sulphur (tonne/day)	1,530	1,599	1,185	1,518	1,710	1,713	1,829	2,232
Total production (boe/d)	36,378	40,491	41,304	38,595	38,404	43,997	44,800	38,209
Financial								
Realized natural gas price (\$/mcf)	4.67	4.08	3.67	2.7	2.59	2.63	2.16	1.7
Benchmark natural gas price (\$/mcf)	7.22	4.75	4.69	3.59	3.11	3.16	2.67	2.14
Realized condensate price (\$/bbl)	116.61	106.13	69.71	65.33	68.08	58.4	53.48	44.67
Benchmark condensate price (\$/bbl)	132.49	122.62	100.1	70.25	64.82	59.05	56.01	38.4
Net income (loss)	22,982	10,549	4,661	(14,846)	(10,058)	(19,547)	(45,968)	(29,845)
Net income (loss) per share, basic	0.15	0.07	0.03	(0.09)	(0.06)	(0.12)	(0.29)	(0.19)
Net income (loss) per share, diluted	0.14	0.07	0.03	(0.09)	(0.06)	(0.12)	(0.29)	(0.19)
Net operating income (loss) ⁽¹⁾	55,969	47,295	30,845	17,920	14,444	20,876	12,829	(646)
Cashflow provided by (used in) operating activities	34,922	3,212	21,139	6,885	12,093	11,000	2,362	(4,541)
Adjusted funds flow from operations ⁽¹⁾	48,710	45,144	23,317	10,981	8,516	14,878	8,535	(6,779)
Total assets	499,580	552,781	622,540	560,782	575,690	557,696	612,651	583,942
Working capital (deficit) surplus	(61,634)	(64,413)	(87,665)	(52,534)	(47,862)	(28,314)	(19,615)	(9,164)
Capital expenditures	9,739	3,534	1,493	9,852	17,959	5,668	8,926	6,033
Development expenses	-	-	225	783	(4,862)	8,604	8,682	2,472

⁽¹⁾ Refer to the "non-GAAP measures" section of the Company's Q2 2022 MD&A.

Operating Netback

(\$ per BOE)	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total Revenue	41.87	35.61	28.37	22.90	21.89	22.11	18.68	15.86
Royalties	7.08	5.25	4.65	1.70	1.11	0.97	1.07	0.34
Operating	16.00	15.72	14.17	14.84	15.41	14.70	13.46	14.66
Transportation	1.89	1.66	1.42	1.32	1.24	1.17	1.04	1.04
Netback (\$/boe)	16.90	12.98	8.12	5.05	4.13	5.27	3.11	(0.18)

Excluding the impact of fixed price commodity contracts, the operating netback would have been \$30.24/boe for the quarter.

Commodity Pricing and Hedge Position

Energy markets continue to see a drastic change in fundamentals between 2021 and 2022. The AECO monthly natural gas price index increased 134% in the second quarter of 2022 compared to 2021. Average North American crude oil prices increased 65% in the second quarter of 2022 compared to the second 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.

Six months ended June 30, 2022	Average Realized Prices	Benchmark Prices
Natural Gas (\$/mcf) ⁽¹⁾	4.37	5.99
Condensate (\$/bbl) ⁽²⁾	111.11	127.58
NGLs (\$/bbl) ⁽³⁾	38.32	35.94
Sulphur (\$/tonne) ⁽⁴⁾	52.59	488.01

⁽¹⁾ AECO 5A benchmark price (\$/mcf)

⁽²⁾ Condensate benchmark price (\$/bbl)

⁽³⁾ AECO 5A benchmark price (\$/boe)

⁽⁴⁾ Sulphur (\$/tonne)

In the first half of 2022, volumes sold under physical forward sales contracts represented 52% of total production and 65% of total revenue. If losses on physical forward sale contracts were removed, the Company's average realized natural gas prices for the six months ended June 30, 2022, would have been \$5.87/mcf as compared to the AECO 5A benchmark of \$5.99/mcf. If losses on physical forward sale contracts were removed, average realized condensate prices for the six months ended June 30, 2022, would have been \$121.83/bbl as compared to the condensate benchmark prices of \$127.58/bbl.

Pieridae's outstanding physical sales contracts for natural gas and NGL at June 30, 2022 are as follows:

as at June 30, 2022	Natural Gas		Condensate ⁽³⁾		% Hedged Production
	\$/gj	gj/day	\$/bbl	bbl/day	
Q3 2022	2.66	107,500	125.73	1,000	45%
Q4 2022	2.65	46,141	130.54	1,000	19%
Q1 2023	2.88	17,500	-	-	7%

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 meaningfully participate in future commodity price upside.

Production

Production in the second quarter of 2022 averaged 36,378 boe/d, a 5% decrease from 38,404 boe/d in Q2 2021. Production was impacted by the following events:

- Planned field shut-ins due to scheduled turnarounds at two non-operated gas processing facilities in the Central Alberta Foothills region, which impacted production by approximately 3,300 boe/d. These turnarounds were completed and Pieridae's production was substantially restored during the quarter;
- As a result of market fundamentals, liquid ethane was reinjected back into the natural gas sales stream at two of Pieridae's gas processing facilities during the quarter impacting production by approximately 1,225 boe/d (when measured on a 6:1 barrel of oil equivalent basis) but increasing the value of the stream resulting in no material impact to revenue;
- Planned and unplanned downtime in the Caroline and Waterton areas as a result of maintenance activities and weather-related events which impacted production by approximately 1,800 boe/d during the quarter,

³ Condensate forward sale contracts are settled against C\$WTI basis prior to condensate differential

all offset by comparative improvements of approximately 3,300 boe/day at Jumping Pound and Moose Mountain as these facilities were undergoing turnaround in Q2 2021.

Foothills Drilling Program

The Company will commence a three well drilling program in Q4, 2022 at Brown Creek in our Central Alberta Foothills area. This first drill program is focused on sweet liquids rich gas in Cretaceous Mannville Group reservoirs. Mannville sandstone reservoirs in the foothills are conventional and characterized by 3-11m net pay averaging 9-12% porosity. Structural targets will be exploited using proven foothills methodology and are intended be completed open hole, drilled at a true vertical depth of 2,600-3,300m. Successful wells in these reservoirs provide significant upside potential of up to 39 additional wells in the Central AB Foothills core area.

The project will incur gross development capital costs during Q4 2022 and Q1 2023 of \$29 million and is anticipated to result in risked initial additional production of approximately 3,555 boe/d on a combined basis.

Export Development Canada (“EDC”) Guarantee Facility Extension

During Q2 2022, the Company renewed and increased its guarantee facility from Export Development Canada to \$12 million (previously \$8 million). This guarantee facility provides for 100% guarantee to issuing banks of the Company’s existing and future letters of credit, of which \$7.0 million was drawn at June 30, 2022.

Northeast BC (“NEBC”) Asset Sales

In June 2022 Pieridae’s Board of Directors approved the sale of certain non-core oil and gas properties located in NEBC for \$1.2 million in cash and either a 10% gross overriding royalty interest in certain lands included in the package or a \$6.5 million cash payment, at the option of the purchaser.

The sale agreement has an effective date of May 1, 2022 and is subject to ordinary closing conditions, regulatory approvals, license transfers and normal closing adjustments, and is expected to close in Q4 2022.

“The sale of our Ekwan and Sierra properties is in line with our strategy of unlocking value from non-core assets,” said Darcy Reding, President & COO. “The combination of cash and deferred consideration in the form of a royalty will allow increased focus on our core asset portfolio while providing shareholders with exposure to any future upside in these properties.”

2022 Guidance

(\$ 000s unless otherwise noted)	Revised 2022 Guidance		Previous 2022 Guidance	
	Low	High	Low	High
Total production (boe/d)	37,500	39,500	39,000	42,000
Net operating income ⁽¹⁾⁽²⁾	150,000	180,000	120,000	160,000
Implied Operating Netback (\$/boe) ⁽²⁾	12.00	14.00	9.00	11.00
Sustaining capital expenditures ⁽³⁾	17,000	22,000	17,000	22,000
Development capital expenditures ⁽⁴⁾	25,000	30,000	17,000	25,000

⁽¹⁾ Refer to the “non-GAAP measures” section on page 5 of the Company’s Q2 2022 MD&A.

⁽²⁾ 2022 outlook assumes average 2022 AECO price of \$5.13/Mcf and average 2022 WTI price of USD\$92.74/bbl and accounts for fixed price forward commodity sales contracts as of June 30, 2022

⁽³⁾ Comprised of facility maintenance and turnaround capital expenditures

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

Pieridae's Board of Directors approved the 2022 budget in November 2021. Pieridae's priority has continued to be on improving flexibility by strengthening the balance sheet while sustaining production, implementing cost control initiatives, optimizing infrastructure logistics and executing non-core asset dispositions. Management is revising production guidance downward due primarily to expected continued reinjection of ethane production into the gas stream for at least the remainder of 2022 which impacts production by approximately 1,800 boe/d annualized (with associated impact on per boe figures) but does not impact total revenue expectations.

The Company's 2022 development capital program guidance range has been increased and narrowed to \$25 - 30 million reflecting both a probable \$3.9 million increase in Pieridae's participation in the upcoming drilling program and the addition of approximately \$3.6 million of high-return optimization and development activities anticipated to support and strengthen production.

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 assessing commercial 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. Pieridae's common shares trade on the TSX under the symbol "PEA".

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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), and at Pieridae's website (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.

Additional Reader Advisories

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.

Abbreviations

Natural Gas

mcf	thousand cubic feet
mcf/d	thousand cubic feet per day
mmcf/d	million cubic feet per day
AECO	Alberta benchmark price for natural gas

Oil

bbl/d	barrels per day
boe/d	barrels of oil equivalent per day
WCS	Western Canadian Select
WTI	West Texas Intermediate

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