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## **PIERIDAE RELEASES Q1 2024 FINANCIAL AND OPERATING RESULTS AND REVISES 2024 GUIDANCE**

*Operating Cost Improvements & Growth in Strategic Third Party Processing Business  
Highlight a Solid Quarter*

**CALGARY, ALBERTA – May 8, 2024** - Pieridae Energy Limited (“Pieridae” or the “Company”) (TSX: PEA) announces the release of its first quarter 2024 financial and operating results. Pieridae generated Net Operating Income (“NOI”)<sup>1</sup> of \$23 million during the first quarter of 2024, reflecting aggressive operating cost and fuel gas reductions, and \$9 million in hedging gains. Pieridae’s management’s discussion and analysis (“MD&A”) and unaudited interim consolidated financial statements and notes for the quarter ended March 31, 2024 are available at [www.pieridaeenergy.com](http://www.pieridaeenergy.com) and on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

*“Pieridae is delivering on its strategic plan to reduce operating costs, decrease fuel gas consumption and emissions, and grow our midstream gathering and processing business,”* said Pieridae’s President and Chief Executive Officer, Darcy Reding. *“We have put up a solid quarter from a cash flow perspective thanks to both our relentless focus on improving cost structure and our hedging program, despite very low AECO gas prices and lower than anticipated March production from an unplanned outage at our Jumping Pound gas plant. We expect to see growth in our midstream revenue as we continue to attract new raw gas volumes from third party producers actively drilling in the vicinity of our Caroline gas gathering system and deep cut gas plant.”*

### **HIGHLIGHTS**

- Generated NOI<sup>1</sup> of \$23.4 million (\$0.15 per basic and fully diluted share).
- Reduced Operating Costs by 23% year over year to \$51.5 million (\$16.35/boe) due, in part, to successful cost reduction initiatives in our field operations and processing facilities.
- Incurred Capital Expenditures of \$8.9 million focused primarily on winter season well abandonment and closure operations in Northeast BC, along with well and facility optimization and facility maintenance.
- Generated Funds Flow from Operations<sup>1</sup> of \$12.0 million (\$0.08 per basic and fully diluted share).
- Produced 34,620 boe/d (84% natural gas) which includes the impact of an unplanned outage at the Jumping Pound plant in late March 2024.
- Our forecasted 2024 PDP base decline rate of 5.4% which can be further enhanced by our available inventory of capital efficient well and facility optimization opportunities as natural gas economics improve.
- Tied-in new third-party production to our Caroline gas gathering system, delivering long-term incremental processing and marketing revenue from a producer actively drilling within the capture area of the Caroline facility.

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

- Initiated a disposition marketing process for non-core Northern AB and Northeast BC properties in order to focus resources and operations on assets where Pieridae owns and controls the gathering and processing infrastructure.

## SELECTED QUARTERLY OPERATIONAL & FINANCIAL RESULTS

(\$ 000s unless otherwise noted)	2024		2023			2022		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Production</b>								
Natural gas (mcf/d)	175,356	174,211	155,763	159,427	186,156	179,143	181,030	178,918
Condensate (bbl/d)	2,781	2,384	2,020	2,300	2,657	2,469	2,911	2,864
NGLs (bbl/d)	2,613	1,921	2,273	2,216	2,784	2,389	2,876	3,695
Sulphur (tonne/d)	1,491	1,284	1,124	1,362	1,457	1,348	1,312	1,555
Total production (boe/d) <sup>(1)</sup>	34,620	33,340	30,253	31,087	36,467	34,715	35,959	36,378
Third-party raw volumes processed (mcf/d) <sup>(2)</sup>	58,212	70,060	61,093	55,750	63,396	49,304	66,224	61,231
<b>Financial</b>								
<b>Natural gas price (\$/mcf)</b>								
Realized before Risk Management Contracts <sup>(3)</sup>	2.53	2.32	2.65	2.39	3.24	5.08	4.38	7.13
Realized after Risk Management Contracts <sup>(3)</sup>	3.21	3.12	3.25	3.03	5.12	5.24	3.62	4.67
Benchmark natural gas price	2.48	2.29	2.59	2.40	3.25	5.20	4.28	7.22
<b>Condensate price (\$/bbl)</b>								
Realized before Risk Management Contracts <sup>(3)</sup>	91.73	97.15	97.47	84.81	107.22	110.24	103.71	132.60
Realized after Risk Management Contracts <sup>(3)</sup>	85.00	86.34	80.49	105.84	106.70	117.67	105.82	116.61
Benchmark condensate price (\$/bbl)	98.43	104.30	106.30	93.25	107.05	115.24	115.66	132.49
Processing and marketing revenue	5,072	11,919	6,603	5,410	6,401	9,310	7,650	7,471
Net income (loss)	(6,284)	7,414	(16,254)	4,182	13,639	114,662	(1,573)	22,982
Net income (loss) \$ per share, basic	(0.04)	0.05	(0.11)	0.03	0.09	0.72	(0.01)	0.15
Net income (loss) \$ per share, diluted	(0.04)	0.03	(0.11)	0.03	0.08	0.70	(0.01)	0.14
Net operating income <sup>(4)</sup>	23,418	25,441	11,650	43,843	49,995	67,711	30,014	55,969
Cashflow provided by operating activities	7,019	31,983	7,577	27,533	37,109	40,134	9,899	34,922
Funds flow from operations <sup>(4)</sup>	12,044	14,269	(1,422)	35,432	37,413	57,641	17,721	43,462
Total assets	590,531	638,541	564,921	575,849	587,641	615,477	473,642	499,580
Adjusted working capital deficit <sup>(5)</sup>	(31,671)	(31,830)	(21,454)	(6,258)	(22,275)	(11,249)	(46,419)	(28,892)
Net debt <sup>(4)</sup>	(209,964)	(204,046)	(205,536)	(181,670)	(202,180)	(214,503)	(254,489)	(248,967)
Capital expenditures <sup>(6)</sup>	4,897	9,306	16,363	9,384	20,486	19,037	7,216	9,739

(1) Total production excludes sulphur.

(2) Third-party volumes processed are by activity month, which do not include accounting accruals.

(3) Includes physical commodity and financial risk management contracts inclusive of cash flow hedges, together ("Risk Management Contracts").

(4) Refer to the "Net Operation Income", "Capital Resources" and "non-GAAP measures" sections of the Company's MD&A for reference to non-GAAP measures.

(5) Adjusted working capital is a non-GAAP measure and is calculated as accounts payable and accrued liabilities, less cash and cash equivalents, restricted cash, accounts receivable, prepaids and deposits.

(6) Excludes reclamation and abandonment activities.

## OUTLOOK

Pieridae's priorities for 2024 remain:

- Maximize processing facility reliability to meet production targets and maximize third party processing revenue by leveraging our available excess deep cut natural gas processing capacity.
- Reduce operating expenses to improve corporate netback.
- Optimize fuel gas consumption to reduce raw gas shrinkage, lower GHG emissions and costs, and increase sales revenue.
- Reduce long-term debt to deleverage the balance sheet.

Pieridae made the decision to shut down the Jumping Pound gas plant in mid-March after experiencing a mechanical failure in the Superclaus unit's sulphur condenser vessel. Although the gas plant was capable of continued operations at the time, a proactive shut down and repair was deemed necessary to restore normal sulphur recovery operations. In anticipation of conducting this repair work at the scheduled 2025 maintenance turnaround, the Company had previously procured a full set of spare condenser tubes and the vessel is currently undergoing a full tube replacement. The capital cost of this repair is estimated to be approximately \$3.7 million, and the facility is expected to be back on production in May 2024. Annualized production impact of this unplanned outage is approximately 1,190 boe/d and NOI<sup>1</sup> impact is approximately \$7.1 million reflecting downtime impact on both commodity sales and third-party processing revenue.

Forward natural gas prices have continued to weaken, particularly over the recent months, as global demand stagnated through a warmer-than-normal winter season, resulting in expected record storage levels and oversupply. Pieridae's robust hedge position will continue to partially mitigate the anticipated lower natural gas prices through 2024.

Production in the Clearwater gas field of Central Alberta was shut in during 2023 due to low natural gas prices and a high proportion of variable operating costs, reducing 2024 average sales volumes by approximately 500 boe/d. Although our guidance originally anticipated stronger winter gas pricing would re-establish economic production from this field, it will remain shut-in until there is a recovery of gas prices. The Company is currently evaluating additional shut-ins in low netback areas where summer gas prices are unable to cover variable production costs.

Pieridae has hedged approximately 74% of its expected 2024 natural gas production at approximately CAD\$3.50/Mcf, and approximately 70% of its expected 2024 condensate production is hedged utilizing WTI swaps with a weighted average price of CAD\$101.78 and a CAD\$80.00 x \$90.75 collar. The discounted unrealized gain on the Company's natural gas and C5 hedge positions at March 31, 2024 was approximately \$34.8 million using the March 31, 2024 forward strip.

Pieridae's 2024 capital budget is highlighted by low-cost well and facility optimization projects and the second and final phase of the maintenance turnaround at the Waterton deep-cut, sour gas processing facility (the "Waterton Turnaround"), which is currently scheduled for the third quarter. The capital program has been adjusted to incorporate the capital cost to repair the Jumping Pound gas plant during the second quarter. Pieridae owns and operates three major sour gas processing facilities which each require periodic maintenance turnarounds on a five-to-six-year cycle.

The scope and timing of all capital projects continues to be scrutinized in the context of low natural gas prices. Pieridae does not intend to resume its foothills development drilling program until the natural gas price outlook improves.

**The Company's revised 2024 guidance, incorporating the above commodity price, production, and capital expenditure impacts is as follows:**

(\$ 000s unless otherwise noted)	Revised 2024 Guidance		Previous 2024 Guidance	
	Low	High	Low	High
Total production (boe/d) <sup>(1)</sup>	31,500	33,000	33,000	34,500
Net operating income <sup>(2)(3)(5)</sup>	65,000	85,000	80,000	100,000
Operating Netback (\$/boe) <sup>(3)(4)(5)</sup>	6.00	7.00	6.50	8.00
Capital expenditures	30,000	35,000	28,000	33,000

(1) 2024 production guidance includes the impact of the phase 2 Waterton Turnaround and the unplanned outage at Jumping Pound.

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

- (2) Refer to the NOI section of the Company's MD&A for reference to non-GAAP measures.  
(3) Refer to Operating Netback section of the Company's MD&A for reference to non-GAAP measures.  
(4) Assumes unhedged average 2024 AECO price of \$1.95/GJ and average 2024 WTI price of \$80/bbl.  
(5) Accounts for impact of hedge contracts in place at May 8, 2024.

While debt reduction remains a top priority for 2024, the ability to repay revolving debt in 2024 is impacted by low natural gas prices and non-discretionary maintenance capital projects. Pieridae expects to draw down the final US\$10 million delayed-draw tranche of the senior secured term loan during 2024 (undrawn to date) to support the final phase of the Waterton Turnaround in the third quarter of this year. The Company's available liquidity was \$45 million at March 31, 2024 including US\$12 million remaining undrawn capacity on the revolving loan, the US\$10 million undrawn delayed draw term loan, and \$15 million in cash and equivalents.

Pieridae's previously announced Goldboro sale process is ongoing and, if successful, cash proceeds will be applied against the company's \$23 million (principal plus accrued interest) convertible bridge term loan which matures on December 13, 2024. The Goldboro sale process is expected to conclude in the second quarter of 2024 and, once complete, will mark the conclusion of Pieridae's strategic pivot away from east coast LNG and toward an Alberta-focused natural gas production and processing business. The Company will make an announcement upon the conclusion of this process.

## HEDGE POSITION

Pieridae hedges to mitigate commodity price, interest rate and foreign exchange volatility to protect the cash flow required to fund the Company's operations, capital requirements and debt service obligations, while allowing the Company to participate in future commodity price upside. Pieridae continues to execute its risk management program governed by its hedge policy and in compliance with the thresholds required by the senior loan facilities. As of March 31, 2024, the Company is hedged in accordance with the requirements of the senior loan agreement. The discounted unrealized gain on the Company's natural gas and C5 hedge positions at March 31, 2024 was approximately \$35.6 million using the March 31, 2024 forward strip.

The tables below summarize Pieridae's hedge portfolio for natural gas, C5 and power:

2024-2025 Hedge Portfolio <sup>(1)</sup>	Q124	Q224	Q324	Q424	2024 <sup>(2)</sup>	Q125	Q225	Q325	Q425	2025
<b>AECO Natural Gas Sales</b>										
Total Hedged (GJ/d)	125,000	112,500	112,500	110,842	115,191	110,000	110,000	110,000	110,000	110,000
Avg Hedge Price (C\$/GJ)	\$3.34	\$3.33	\$3.33	\$3.32	\$3.33	\$3.32	\$3.32	\$3.32	\$3.32	\$3.32
<b>WTI / C5 Sales</b>										
Total Hedged (bbl/d)	1,547	1,794	1,766	1,739	1,712	1,721	1,692	1,663	1,641	1,679
Avg Collar Cap Price (C\$/bbl)	\$91.73	\$92.98	\$93.02	\$93.05	\$92.73	\$92.73	\$92.44	\$92.03	\$92.05	\$92.32
Avg Collar Floor Price (C\$/bbl)	\$81.67	\$84.48	\$84.55	\$84.62	\$83.90	\$84.14	\$84.25	\$84.61	\$84.67	\$84.42
<b>Power Purchases</b>										
Total Hedged (MW)	55	55	55	55	55	55	55	55	55	55
Avg Hedge Price (C\$/MWh)	\$68.41	\$68.51	\$68.49	\$68.14	\$68.39	\$79.22	\$79.10	\$79.07	\$79.08	\$79.12

2026-2027 Hedge Portfolio <sup>(1)</sup>	Q126	Q226	Q326	Q426	2026	Q127	Q227	Q327	Q427	2027
<b>AECO Natural Gas Sales</b>										
Total Hedged (GJ/d)	110,000	95,165	65,000	61,685	92,279	76,200	40,220	-	-	28,816
Avg Hedge Price (C\$/GJ)	\$3.32	\$3.42	\$3.77	\$3.76	\$3.55	\$3.77	\$3.81	-	-	\$3.78
<b>WTI / C5 Sales</b>										
Total Hedged (bbl/d)	1,622	1,518	1,184	1,170	1,372	1,171	1,141	785	785	969
Avg Collar Cap Price (C\$/bbl)	\$91.69	\$90.82	\$91.36	\$91.37	\$91.31	\$91.40	\$88.68	\$90.40	\$90.40	\$90.19
Avg Collar Floor Price (C\$/bbl)	\$84.09	\$83.71	\$84.42	\$84.48	\$84.14	\$84.37	\$84.02	\$90.40	\$90.40	\$86.73
<b>Power Purchases</b>										
Total Hedged (MW)	45	45	45	45	45	25	25	25	25	46
Avg Hedge Price (C\$/MWh)	\$75.87	\$75.88	\$75.88	\$75.88	\$75.88	\$70.19	\$70.19	\$70.19	\$70.19	\$73.61

2028 Hedge Portfolio <sup>(1)</sup>	Q128	Q228	Q328	Q428	2028
<b>AECO Natural Gas Sales</b>					
Total Hedged (GJ/d)	-	-	-	-	-
Avg Hedge Price (C\$/GJ)	-	-	-	-	-
<b>WTI / C5 Sales</b>					
Total Hedged (bbl/d)	785	-	-	-	195
Avg Collar Cap Price (C\$/bbl)	\$90.40	-	-	-	\$90.40
Avg Collar Floor Price (C\$/bbl)	\$90.40	-	-	-	\$90.40
<b>Power Purchases</b>					
Total Hedged (MW)	-	-	-	-	-
Avg Hedge Price (C\$/MWh)	-	-	-	-	-

(1) Includes forward physical sales contracts and financial derivative contracts as of May 8, 2024.

(2) Includes YTD actual and balance of year hedges.

## CONFERENCE CALL DETAILS

A conference call and webcast to discuss the results will be held on Thursday, May 9, 2024, at 1:30 p.m. MDT / 3:30 p.m. EDT, following the formal business conducted at the Annual General Meeting. To participate in the webcast or conference call, you are asked to register using one of the links provided below.

To register to participate via webcast please follow this link:

<https://edge.media-server.com/mmc/p/jn6fms8a>

Alternatively, to register to participate by telephone please follow this link:

<https://register.vevent.com/register/Blbd2622c203f841ebaee44545116969a3>

A replay of the webcast will be available two hours after the conclusion of the event and may be accessed using the webcast link above.

## ABOUT PIERIDAE

Pieridae is a Canadian energy company headquartered in Calgary, Alberta. The Company is a significant upstream producer and midstream custom processor of natural gas, NGLs, condensate, and sulphur from the Canadian Foothills and adjacent areas in Alberta and in northeast British Columbia. Pieridae's vision is to provide responsible, affordable natural gas and derived products to meet society's energy security needs. Pieridae's common shares trade on the TSX under the symbol "PEA".

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

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### Investor Relations

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### Forward-Looking Statements

Certain of the statements contained herein including, without limitation, management plans and assessments of future plans and operations, Pieridae's outlook, strategy and vision, intentions with respect to future acquisitions, dispositions and other opportunities, including exploration and development activities, Pieridae's ability to market its assets, plans and timing for development of undeveloped and probable resources, Pieridae's goals with respect to the environment, relations with Indigenous people and promoting equity, diversity and inclusion, estimated abandonment and reclamation costs, plans regarding hedging, plans regarding the payment of dividends, wells to be drilled, the weighting of commodity expenses, expected production and performance of oil and natural gas properties, results and timing of projects, access to adequate pipeline capacity and third-party infrastructure, growth expectations, supply and demand for oil, natural gas liquids and natural gas, industry conditions, government regulations and regimes, capital expenditures and the nature of capital expenditures and the timing and method of financing thereof, 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", "continue", "focus", "endeavor", "commit", "shall", "propose", "might", "project", "predict", "vision", "opportunity", "strategy", "objective", "potential", "forecast", "estimate", "goal", "target", "growth", "future", and similar expressions may be used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management.

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, the risks associated with oil and gas exploration, development, exploitation, production, processing, 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, 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 and retain 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.sedarplus.ca](http://www.sedarplus.ca)), 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.

### 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

#### 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
GJ	Gigajoule

#### Power

MW	Megawatt
MWh	Megawatt hour

#### Liquids

bbbl/d	barrels per day
boe/d	barrels of oil equivalent per day
WCS	Western Canadian Select
WTI	West Texas Intermediate
Mbbl	Thousand barrels
MMbbl	Million barrels
MMboe	Million barrels of oil equivalent
<u>C2</u>	Ethane
<u>C3</u>	Propane
<u>C4</u>	Butane
<u>C5/C5+</u>	Condensate / Pentane

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