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## **PIERIDAE RELEASES Q2 2023 RESULTS** *Successful Refinancing & Strong Quarterly Cash Flow*

**CALGARY, ALBERTA – August 9, 2023 - Pieridae Energy Limited (“Pieridae” or the “Company”) (TSX: PEA)** announces the release of its second quarter 2023 financial and operating results. Pieridae generated Net Operating Income (“NOI”)<sup>1</sup> of \$44 million and successfully refinanced its long-term debt, substantially reducing the Company’s cost of capital. The Company’s management’s discussion and analysis (“MD&A”) and unaudited interim consolidated financial statements and notes for the quarter ended June 30, 2023 are available at [www.pieridaenergy.com](http://www.pieridaenergy.com) and on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Q2 2023 HIGHLIGHTS**

- Refinanced the Company’s long-term debt resulting in new credit facilities of USD \$150 million, materially reducing the cost of capital while providing additional liquidity through the provision of a revolving credit facility and a delayed draw term loan.
- Generated Funds Flow from Operations<sup>1</sup> of \$35.4 million (\$0.22 per basic and fully diluted share) vs \$43.5 million (\$0.28 per basic and \$0.27 per fully diluted share) in Q2 2022.
- Generated quarterly NOI<sup>1</sup> of \$43.8 million (\$0.28 per basic and \$0.27 per fully diluted share) vs \$56.0 million (\$0.36 per basic and \$0.35 per fully diluted share) in Q2 2022.
- Generated Net Income of \$4.2 million (\$0.03 per basic and fully diluted share) vs \$23.0 million (\$0.15 per basic and \$0.14 per fully diluted share) in Q2 2022.
- Produced 31,087 boe/d (85% natural gas) vs 36,378 boe/d in Q2 2022.
- Net debt<sup>1</sup> was \$181.7 million at June 30, 2023 compared to \$214.5 million at December 31, 2022.

“Pieridae had strong financial results this quarter, despite operational challenges and weaker AECO natural gas prices, thanks to a favorable royalty credit and realized gains from our hedging program,” said Pieridae’s President and Chief Operating Officer, Darcy Reding. “In the second quarter, we continued to execute our strategic plan with the successful refinancing of our long-term debt, which is a significant milestone for the Company and provides Pieridae with a lower cost of capital and greater financial flexibility.”

“Production has largely recovered from unscheduled downtime during the second quarter, with recent field production back to 35,600 boe/d. Wildfires in northeast BC continue to keep 900 boe/d shut-in in the Ekwan area, and approximately 750 boe/d remain voluntarily shut-in in west-central Alberta until AECO natural gas prices are sustained at greater than \$3.00/Mcf. Our focus as we move into fall is the safe and efficient execution of Phase 1 of the Waterton maintenance turnaround in August and September, improving production and facility reliability, and ongoing operating and administrative cost reductions.”

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

## SELECTED Q2 2023 OPERATIONAL & FINANCIAL RESULTS

(\$ 000s unless otherwise noted)	2023		2022				2021	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Production</b>								
Natural gas (mcf/d)	159,427	186,156	179,143	181,030	178,918	187,719	198,596	191,439
Condensate (bbl/d)	2,300	2,657	2,469	2,911	2,864	3,201	2,851	2,555
NGLs (bbl/d)	2,216	2,784	2,389	2,876	3,695	6,003	5,354	4,133
Sulphur (tonne/d)	1,362	1,457	1,348	1,312	1,555	1,625	1,185	1,518
Total production (boe/d)	31,087	36,467	34,715	35,959	36,378	40,491	41,304	38,595
<b>Financial</b>								
Realized natural gas price before physical commodity contracts (\$/mcf)	2.39	3.24	5.08	4.38	7.13	4.66	4.62	3.58
Realized natural gas price after physical commodity contracts (\$/mcf)	3.00	5.08	5.24	3.62	4.67	4.08	3.67	2.70
Benchmark natural gas price (\$/mcf)	2.40	3.25	5.20	4.28	7.22	4.75	4.69	3.59
Realized condensate price before physical commodity contracts (\$/bbl)	84.81	107.22	110.24	103.71	132.60	112.09	91.69	85.25
Realized condensate price after physical commodity contracts (\$/bbl)	91.83	107.36	117.67	105.82	116.61	106.13	69.71	65.33
Benchmark condensate price (\$/bbl)	93.25	107.05	115.24	115.66	132.49	122.62	100.10	70.25
Net income (loss)	4,182	13,639	114,662	(1,573)	22,982	10,549	4,661	(14,846)
Net income (loss) \$ per share, basic	0.03	0.09	0.72	(0.01)	0.15	0.07	0.03	(0.09)
Net income (loss) \$ per share, diluted	0.03	0.08	0.70	(0.01)	0.14	0.07	0.03	(0.09)
Net operating income <sup>(1)</sup>	43,843	49,995	67,711	30,014	55,969	47,295	30,845	17,920
Cashflow provided by operating activities	27,533	41,309	40,134	9,899	34,922	3,212	21,139	6,885
Funds flow from operations <sup>(1)</sup>	35,432	41,613	57,641	17,721	43,462	34,855	12,408	6,780
Total assets	575,849	587,641	615,477	473,642	499,580	552,781	622,540	560,782
Adjusted working capital deficit <sup>(2)</sup>	(6,258)	(22,275)	(11,249)	(46,419)	(28,892)	(34,934)	(61,588)	(71,161)
Net debt <sup>(1)</sup>	(181,670)	(202,180)	(214,503)	(254,489)	(248,967)	(273,201)	(293,169)	(314,184)
Capital expenditures	9,384	20,486	19,037	7,216	9,739	3,534	1,493	9,852

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

- Commodity prices continued to decline in Q2 2023 with AECO natural gas down 67% and WTI basis down 32% vs. Q2 2022.
- Lower commodity sales revenue was partially offset by the Company's hedging program with Q2 2023 hedging gains of \$13.6 million (\$4.60/boe).
- Pieridae benefitted from an adjustment to the 2022 Gas Cost Allowance ("GCA") credit calculated annually by the Alberta Crown which more than offset year to date royalty expense, resulting in \$16.6 million of net royalty recovery for the quarter.
- Q2 production was impacted by unscheduled downtime and maintenance activities at the Caroline and Jumping Pound gas processing facilities (4,800 boe/d), as well as periodic non-operated production outages arising from wildfires in Alberta and British Columbia (1,550 boe/d).
- Q2 capital expenditures were \$9.4 million with spending focused on the Brown Creek development program (\$4.0 million) and facility maintenance and turnaround costs (\$4.2 million).

- The successful refinancing included a new CAD \$20 million, 18-month bridge term loan and the issuance of 18.6 million warrants. The Company's previous term loan was retired in advance of its October 16, 2023 maturity.
- The Company executed several new commodity hedge transactions as part of its risk management strategy to mitigate cash flow volatility in support of capital spending and debt service obligations, and in compliance with the requirements of the new credit facility.

## CEO SUCCESSION

Pieridae previously announced the retirement of Chief Executive Officer Alfred Sorenson, effective August 31, 2023. The Board of Directors is currently engaged in a CEO succession process, the results of which will be disclosed when concluded.

## OUTLOOK AND REVISED GUIDANCE

Forward natural gas and natural gas liquids prices have continued to experience downward pressure since March 2023 through the typically lower-priced summer season. Pieridae's robust hedge position will partially mitigate the lower expected prices through the second half of 2023, although not to the same extent as the first half of the year.

Additionally, Pieridae's year-to-date production was lower than expected, and while second-half production is anticipated to remain within the original guidance range, annual guidance has been revised downward from 37,000-39,000 boe/d to 33,000 - 34,500 boe/d to reflect the production challenges in the first half of the year.

Lower forecast hedge-adjusted pricing and lower production have also put downward pressure on NOI, partially offset by diligent operating cost reduction efforts and the previously discussed GCA adjustment to royalties. NOI guidance has been lowered slightly to reflect management's current projections, from the previous range of \$120 - \$150 million to \$110 - \$130 million.

Following a detailed capital program review during the second quarter, management has decided to bifurcate the previously discussed Waterton maintenance turnaround into two separate phases in order to complete critical maintenance requirements, while prudently managing the pace of capital expenditures during a period of lower projected cash flow. The first phase will be initiated on August 12, 2023, requiring a production outage of four to five weeks and capital expenditures of approximately \$11 million. Following the completion of Phase 1, detailed scoping and timing for the remaining required work will be finalized and included as Phase 2 in the 2024 maintenance capital budget. As a result of this partial turnaround and other ongoing capital maintenance activities, total 2023 sustaining capital expenditures are now projected to be in the range of \$30 - \$40 million, an increase from the previous guidance range of \$15 - \$20 million.

**Pieridae’s revised 2023 guidance is as follows:**

(\$ 000s unless otherwise noted)	2023 Guidance – Aug		2023 Guidance – March		2023 Guidance – Dec	
	Low	High	Low	High	Low	High
Production (boe/d)	33,000	34,500	37,000	39,000	37,000	39,000
Net operating income <sup>(1)(2)</sup>	110,000	130,000	120,000	150,000	170,000	200,000
Implied operating netback (\$/boe) <sup>(2)</sup>	9.00	11.00	9.00	11.00	12.00	14.00
Sustaining capital expenditures <sup>(3)</sup>	30,000	40,000	15,000	20,000	50,000	55,000
Development capital expenditures <sup>(4)</sup>	15,000	20,000	15,000	20,000	15,000	20,000

<sup>(1)</sup> Refer to the “Net Operating Income” section of the Company’s MD&A for reference to non-GAAP measures.

<sup>(2)</sup> 2023 outlook assumes average 2023 AECO price of \$2.60/GJ and average 2023 WTI price of USD\$74.00/bbl and accounts for hedging contracts as of July 31, 2023.

<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 remains improving financial flexibility by strengthening our balance sheet while sustaining production, implementing cost reduction initiatives, optimizing infrastructure, and executing non-core asset dispositions in order to maintain profitability during the commodity cycle.

## 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 maintenance 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 new senior loan facilities. During the second quarter of 2023, the Company entered several new hedge contracts in support of the loan refinancing transaction and, as of June 30, 2023, is hedged in accordance with the requirements of the senior loan agreement.

The Company had the following fixed-price physical commodity sales contracts and power contracts in place at June 30, 2023:

Type of contract	Quantity	Time Period	Contract Price
Fixed Price - Natural Gas Sales	50,000 GJ/d	Jul 2023 – Oct 2023	CAD \$4.38/GJ
Fixed Price - Natural Gas Sales	5,000 GJ/d	Jul 2023 – Oct 2026	CAD \$3.31/GJ
Fixed Price – AECO/Nymex Differential	7,500 MMBtu/d	Jul 2023 – Oct 2023	USD \$(1.18)/MMBtu
Fixed Price - Power Purchases	52 MW/h	Jul 2023 – Dec 2023	CAD \$71.83/MWh
Fixed Price - Power Purchases	55 MW/h	Jan 2024 – Dec 2024	CAD \$68.39/MWh
Fixed Price - Power Purchases	55 MW/h	Jan 2025 – Dec 2025	CAD \$79.12/MWh
Fixed Price - Power Purchases	45 MW/h	Jan 2026 – Dec 2026	CAD \$75.88/MWh
Fixed Price - Power Purchases	5 MW/h	Jan 2027 – Dec 2027	CAD \$75.10/MWh

The Company had the following financial risk management contracts in place as at June 30, 2023:

Type of contract	Quantity	Time Period	Contract Price
AECO Natural Gas Swap	30,000 GJ/d	Jul 2023 – Oct 2023	CAD \$1.89/GJ
AECO Natural Gas Swap	30,000 GJ/d	Jul 2023 – May 2026	CAD \$3.10/GJ
AECO Natural Gas Swap	50,000 GJ/d	Nov 2023 – May 2026	CAD \$3.30/GJ
AECO Natural Gas Swap	25,000 GJ/d	Nov 2023 – May 2027	CAD \$3.62/GJ
AECO Natural Gas Swap	35,000 GJ/d	Jun 2026 – May 2027	CAD \$3.95/GJ
WTI Crude Oil Swap	500 bbl/d	Jul 2023 – Sep 2023	CAD \$107.64/bbl
C5 to WTI Basis Differential Swap	500 bbl/d	Jul 2023 – Sep 2023	CAD (\$4.67)/bbl
WTI Crude Oil Collar	1,453 bbl/d	Jul 2023 – Dec 2023	CAD \$80.00 - \$90.75/bbl
WTI Crude Oil Collar	1,405 bbl/d	Jan 2024 – Dec 2024	CAD \$80.00 - \$90.75/bbl
WTI Crude Oil Collar	1,235 bbl/d	Jan 2025 – Dec 2025	CAD \$80.00 - \$90.75/bbl
WTI Crude Oil Collar	918 bbl/d	Jan 2026 – Dec 2026	CAD \$80.00 - \$90.75/bbl
WTI Crude Oil Collar	761 bbl/d	Jan 2027 – Dec 2027	CAD \$80.00 - \$90.75/bbl
WTI Crude Oil Swap	350 bbl/d	Jun 2026	CAD \$82.33/bbl
WTI Crude Oil Swap	750 bbl/d	Jun 2027	CAD \$78.75/bbl

## CONFERENCE CALL DETAILS

A conference call and webcast to discuss the results will be held on Thursday, August 10, 2023, at 8:30 a.m. MDT / 10:30 a.m. EDT. 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/c7zracbt>

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

<https://register.vevent.com/register/B1c93a3724a33846f4891feacd3a474c66>

## ABOUT PIERIDAE

Pieridae is a Canadian energy company headquartered in Calgary, Alberta. 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's vision is to be a progressive leader in providing 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.pieridaeenergy.com](http://www.pieridaeenergy.com), or please contact:

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## Investor Relations

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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

#### 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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