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## **PIERIDAE RELEASES Q3 2023 FINANCIAL AND OPERATING RESULTS** *Initiates Sales Process for Goldboro Assets*

**CALGARY, ALBERTA – November 8, 2023** - Pieridae Energy Limited (“Pieridae” or the “Company”) (TSX: PEA) announces the release of its third quarter 2023 financial and operating results. Pieridae generated Net Operating Income (“NOI”)<sup>1</sup> of \$12 million and produced 30,253 boe/d (86% natural gas) as the Company conducted its scheduled maintenance turnaround at the Waterton gas processing facility (the “Waterton Turnaround”) during the third quarter. The Company’s management’s discussion and analysis (“MD&A”) and unaudited interim consolidated financial statements and notes for the quarter ended September 30, 2023 are available at [www.pieridaeenergy.com](http://www.pieridaeenergy.com) and on SEDAR at <http://www.sedarplus.ca/>.

Pieridae also announces it has initiated a process to sell its Goldboro subsidiary and associated assets, licenses and permits (“Goldboro”), highlighted by 267 acres of undeveloped coastal industrial land in Nova Scotia. Any cash proceeds from the sale of Goldboro will be used to repay existing indebtedness, in particular the Bridge Term Loan. This process is expected to conclude in the first half 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.

### **Q3 2023 HIGHLIGHTS**

- Concluded a formal leadership succession process as the Board of Directors appointed Darcy Reding as President and Chief Executive Officer, following the retirement of former CEO, Alfred Sorensen.
- Incurred Capital Expenditures of \$16.4 million weighted specifically towards the Waterton Turnaround, which required the Waterton field to be shut in from mid August through the end of Q3.
- Generated NOI<sup>1</sup> of \$11.7 million (\$0.07 per basic and fully diluted share) compared to \$30.0 million (\$0.19 per basic and fully diluted share) in Q3 2022.
- Generated Funds Flow from Operations<sup>1</sup> of -\$1.4 million (-\$0.01 per basic and fully diluted share) compared to \$17.7 million (\$0.11 per basic and fully diluted share) in Q3 2022.
- Generated Net Loss of \$16.3 million (-\$0.11 per basic and fully diluted share) compared to a net loss of \$1.6 million (-\$0.01 per basic and fully diluted share) in Q3 2022.
- Produced 30,253 boe/d (86% natural gas) compared to 35,959 boe/d in Q3 2022.

“Pieridae began the first phase of the previously announced Waterton maintenance turnaround project in August,” said Pieridae’s President and Chief Executive Officer, Darcy Reding. “This was a major capital endeavor for Pieridae, and while the extended production outage at Waterton resulted in a challenging quarter from both an operational and a financial standpoint, I’m happy to report that the program was completed safely, and the facility was restarted in late October 2023 with full production at Waterton now back online. Our commodity hedging program continues to support cash flow stability and resulted in another gain in the third quarter.”

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

## SELECTED Q3 2023 OPERATIONAL & FINANCIAL RESULTS

(\$ 000s unless otherwise noted)	2023			2022				2021	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	
<b>Production</b>									
Natural gas (mcf/d)	155,763	159,427	186,156	179,143	181,030	178,918	187,719	198,596	
Condensate (bbl/d)	2,020	2,300	2,657	2,469	2,911	2,864	3,201	2,851	
NGLs (bbl/d)	2,273	2,216	2,784	2,389	2,876	3,695	6,003	5,354	
Sulphur (tonne/d)	1,124	1,362	1,457	1,348	1,312	1,555	1,625	1,185	
Total production (boe/d) <sup>(1)</sup>	30,253	31,087	36,467	34,715	35,959	36,378	40,491	41,304	
<b>Financial</b>									
<b>Natural Gas price (\$/mcf)</b>									
Realized before physical commodity contracts	2.65	2.39	3.24	5.08	4.38	7.13	4.66	4.62	
Realized after physical commodity contracts	3.24	3.00	5.08	5.24	3.62	4.67	4.08	3.67	
Benchmark - AECO	2.59	2.40	3.25	5.20	4.28	7.22	4.75	4.69	
<b>Condensate price (\$/bbl)</b>									
Realized before physical commodity contracts	97.47	84.81	107.22	110.24	103.71	132.60	112.09	91.69	
Realized after physical commodity contracts	97.47	91.83	107.36	117.67	105.82	116.61	106.13	69.71	
Benchmark - C5 at Edmonton	106.30	93.25	107.05	115.24	115.66	132.49	122.62	100.10	
Net income (loss)	(16,254)	4,182	13,639	114,662	(1,573)	22,982	10,549	4,661	
Net income (loss) \$ per share, basic	(0.11)	0.03	0.09	0.72	(0.01)	0.15	0.07	0.03	
Net income (loss) \$ per share, diluted	(0.11)	0.03	0.08	0.70	(0.01)	0.14	0.07	0.03	
Net operating income <sup>(2)</sup>	11,650	43,843	49,995	67,711	30,014	55,969	47,295	30,845	
Cashflow provided by operating activities	7,577	27,533	37,109	40,134	9,899	34,922	3,212	21,139	
Funds flow from operations <sup>(2)</sup>	(1,422)	35,432	37,413	57,641	17,721	43,462	34,855	12,408	
Total assets	564,921	575,849	587,641	615,477	473,642	499,580	552,781	622,540	
Adjusted working capital deficit <sup>(3)</sup>	(21,454)	(6,258)	(22,275)	(11,249)	(46,419)	(28,892)	(34,934)	(61,588)	
Net debt <sup>(2)</sup>	(205,536)	(181,670)	(202,180)	(214,503)	(254,489)	(248,967)	(273,201)	(293,169)	
Capital expenditures	16,363	9,384	20,486	19,037	7,216	9,739	3,534	1,493	
Development expenses <sup>(4)</sup>	-	-	-	(4,514)	-	-	-	225	

<sup>(1)</sup> Total production excludes sulphur.

<sup>(2)</sup> Refer to the "non-GAAP measures" section of the Company's MD&A.

<sup>(3)</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.

<sup>(4)</sup> Expenses are related to the former Goldboro LNG project.

- The Waterton Turnaround impacted Q3 2023 and year to date production by 5,130 boe/d and 2,712 boe/d, respectively along with corresponding revenue impacts as a result of this production outage which lasted for ten weeks from mid August until late October.
- Q3 production was also impacted approximately 1,448 boe/d as a result of wildfire shut-ins in Northeast BC. We are currently developing a plan to partially restart production at the Ekwan, BC property during Q4.
- Natural gas pricing continued to be lower than in comparative periods with AECO natural gas down 39% compared to Q3 2022, driven by high storage levels and seasonally weak demand.
- Lower natural gas and NGL sales revenue was partially offset by the Company's hedging program, with Q3 hedging gains of \$5.4 million (\$1.93/boe).
- Q3 capital expenditures were \$16.4 million primarily on the Waterton Turnaround, with year-to-date expenditures totaling \$46.2 million.

## OUTLOOK

Forward natural gas prices have continued to experience weakness since early 2023 as global demand stagnates and storage levels remain higher-than-normal. Pieridae's robust hedge position will partially mitigate the lower expected prices through the final quarter of 2023, although not to the same extent as experienced year to date.

2023 guidance is unchanged as follows:

(\$ 000s unless otherwise noted)	2023 Guidance – Aug, Nov 2023		2023 Guidance – Mar 2023		2023 Guidance – Dec 2022	
	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 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 West Texas Intermediate ("WTI") price of USD\$74.00/bbl and accounts for hedging contracts as of September 30, 2023.

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

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

Pieridae is currently completing its 2024 budget planning process in the context of flat to slightly stronger AECO natural gas pricing in 2024 coupled with cost reduction initiatives now underway. 2024 production, net operating income and capital expenditure guidance will be announced late in the fourth quarter of 2023 once approved by the Board of Directors.

As a component of the previously announced debt refinancing, Pieridae incurred a \$20 million bridge term loan ("Bridge Term Loan") with a maturity date of December 13, 2024 and an 18% compounding interest rate. The Company intends to repay some, or all of the amounts drawn under the Bridge Term Loan with any cash proceeds realized from the Goldboro sale process. Following the closing of any resulting divestitures, and subject to shareholder approval of the conversion feature, Pieridae plans to repay the remaining original principal amount, accrued and unpaid interest and conversion fee via conversion into common shares of the Company.

The conversion feature is to be approved by a majority of (disinterested) shareholders prior to December 13, 2023 by special resolution or via a special meeting of shareholders. If shareholders agree to enact the proposed conversion feature, conversion to equity may occur at any point from the date of shareholder approval to maturity of the Bridge Term Loan on December 13, 2024, upon 30 days notice.

Pieridae's priority remains improving financial flexibility by strengthening our balance sheet while safely sustaining production, implementing cost reduction initiatives, optimizing infrastructure, and executing non-core asset dispositions to maintain profitability during all periods of 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 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 new senior loan facilities. As of September 30, 2023, the Company 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 September 30, 2023:

Type of contract	Quantity	Time Period	Contract Price
Fixed Price – Natural Gas Sales	50,000 GJ/d	Oct 2023	CAD \$4.38/GJ
Fixed Price – Natural Gas Sales	20,000 GJ/d	Nov 2023 – Mar 2024	CAD \$3.45/GJ
Fixed Price – Natural Gas Sales	7,500 GJ/d	Apr 2024 – Oct 2024	CAD \$3.45/GJ
Fixed Price – Natural Gas Sales	5,000 GJ/d	Nov 2024 – Oct 2026	CAD \$3.31/GJ
Fixed Price – AECO/Nymex Differential	7,500 MMBtu/d	Oct 2023	USD \$(1.15)/MMBtu
Fixed Price – Power Purchases	55 MW/h	Oct 2023 – Dec 2023	CAD \$71.80/MWh
Fixed Price – Power Purchases	55 MW/h	Jan 2024 – Dec 2024	CAD \$68.38/MWh
Fixed Price – Power Purchases	55 MW/h	Jan 2025 – Dec 2025	CAD \$79.12/MWh
Fixed Price – Power Purchases	47 MW/h	Jan 2026 – Dec 2026	CAD \$75.88/MWh
Fixed Price – Power Purchases	11 MW/h	Jan 2027 – Dec 2027	CAD \$75.10/MWh

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

Type of contract	Quantity	Time Period	Contract Price
AECO Natural Gas Swap	30,000 GJ/d	Oct 2023	CAD \$1.89/GJ
AECO Natural Gas Swap	30,000 GJ/d	Oct 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 Collar	1,685 bbl/d	Oct 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	70 bbl/d	Nov 2023 – Dec 2023	CAD \$120.00/bbl
WTI Crude Oil Swap	30 bbl/d	Nov 2023 – Dec 2024	CAD \$110.25/bbl
WTI Crude Oil Swap	70 bbl/d	Nov 2023 – May 2026	CAD \$104.00/bbl
WTI Crude Oil Swap	350 bbl/d	Jun 2026	CAD \$82.33/bbl
WTI Crude Oil Swap	50 bbl/d	Jul 2026 – May 2027	CAD \$92.25/bbl
WTI Crude Oil Swap	750 bbl/d	Jun 2027	CAD \$78.75/bbl

Subsequent to quarter end, Pieridae entered into a twelve-month currency hedge which provides the right, but not the obligation, to purchase USD at a fixed exchange rate in exchange for a deferred option premium. This provides a degree of downside protection on currency fluctuations between USD and CAD while allowing full upside participation if CAD strengthens. The majority of the Company's debt and associated debt service costs are denominated in USD.

## CONFERENCE CALL DETAILS

A conference call and webcast to discuss the results will be held on Thursday, November 9, 2023, at 8:30 a.m. MST / 10:30 a.m. EST. 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/zkma24jm>

Alternatively, to register to participate by telephone please follow this link:  
<https://register.vevent.com/register/Bif99fbfc126a84b43ada2d37425699ee4>

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 of conventional natural gas, NGLs, condensate and sulphur from the Canadian Foothills of Alberta and 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.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**

<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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