

Decklar Resources Inc. Announces Share Purchase Agreement to Participate in Asaramatoru Oil Field in OML 11 in Nigeria and Update on Unit Offering

- *Share Purchase Agreement signed to purchase all outstanding shares of Purion Energy Limited, which has a Risk Finance and Technical Services Agreement with Prime Exploration and Production Limited to participate in the Asaramatoru Oil Field in Nigeria.*
- *The Asaramatoru Field is located on OML 11 near the Bonny Oil Field and Bonny Export Terminal, and has two historical wells on site, AST-1 and AST-2, with near-term production potential.*
- *The full field development plan for the Asaramatoru Field includes re-entry of these wells, drilling additional development wells, and expanding processing facilities – with significant near-term development potential.*
- *Decklar is no longer seeking to complete the remaining portion of the Company's non-brokered unit financing (the "Offering").*

TORONTO, July 14, 2021 (GLOBE NEWSWIRE) -- **Decklar Resources Inc. (DKL-TSX Venture) (the "Company" or "Decklar")** is pleased to announce the completion of a Share Purchase Agreement to purchase all of the issued and outstanding ordinary shares of Purion Energy Limited ("Purion"), a Nigerian entity that has entered into a Risk Finance and Technical Services Agreement ("RFTSA") with Prime Exploration and Production Limited ("Prime"), the Operator of the Asaramatoru Oil Field, to participate in the continued development of the oil resources in the field. The Asaramatoru Oil Field is located in OML 11, the same block where Decklar is also currently developing the Oza Oil Field.

Share Purchase Agreement between Purion and Decklar

Decklar and Purion have signed a Share Purchase Agreement ("SPA") with respect to the acquisition by Decklar of all of the issued and outstanding ordinary shares of Purion (the "Purion Shares"). Purion has separately entered into a RFTSA with Prime with respect to the 51% equity interest that was awarded to Prime in the Asaramatoru Oil Field. Further, Decklar is aware that Purion is also seeking to enter into a RFTSA with Suffolk Petroleum ("Suffolk") in respect of Suffolk's 49% interest in the Asaramatoru Oil Field.

The SPA terms are based on the issuance of up to 5,500,000 common shares of Decklar ("Decklar Shares"), as consideration for the acquisition of all the issued and outstanding Purion Shares. An initial issuance of 3,750,000 shares will be completed, and in the event Purion enters into an RFTSA in respect of the Suffolk interest, an additional 1,750,000 Decklar Shares will be issued to the shareholders of Purion. The Transaction will be subject to customary conditions precedents to completion, including approval of the TSX Venture Exchange.

The Asaramatoru Field

The Asaramatoru Field, operated and owned 51% by Prime and owned 49% by Suffolk Petroleum Limited ("Suffolk"), is situated onshore in the southern swamp section of OML 11 in the Eastern Niger Delta area, which is one of the largest onshore oil producing blocks spanning the coastal swampy section in the south to dry land in the north. The Asaramatoru Field is situated in the vicinity of Andoni Local Government Area in mangrove forested terrain and is approximately 45 km S/SE of the oil city of Port Harcourt in Rivers State and approximately 40 km south of the Oza Field. The Bonny Oil Export Terminal and Bonny LNG plant are located approximately 15 km south of the Asaramatoru field.

The Asaramatoru Field was formerly operated by Shell Petroleum Development Company of Nigeria Limited ("SPDC"). SPDC discovered the oil field in 1973 with the drilling of the AST-1 well, which discovered 10 hydrocarbon bearing reservoirs. The AST-2 well was drilled by SPDC in 1989 and discovered additional oil reservoirs in a separate fault block. SPDC never placed the two wells on production and suspended both wells after the drilling and completion activities. Data available includes the wireline well logs, additional test data, and a 3D seismic survey conducted in 1996.

The Asaramatoru Field was awarded to Prime and Suffolk by the Federal Government of Nigeria in 2004 as part of the first Marginal Field Program. A subsidiary of Prime was appointed operator of the field.

Prime and Suffolk re-entered the existing two wells and commenced initial production testing activities in 2014. The wells produced an average of 2,700 barrels oil per day during intermittent production over three years, with the crude production being barged to an offshore facility for storage and export. The two wells have been shut in since late 2018 due to lower oil prices and logistics connected with barging and export activities, and limited storage facilities at the well locations.

Decklar and Prime's next planned stages for development of the Asaramatoru Oil Field include pulling out the existing tubing from the AST-1 and AST-2 wells, running cement bond logs and cased hole reservoir saturation logs and running new dual-string completions in both existing wells. It is then anticipated that an additional seven wells will be drilled for full field development, and production facilities, flow lines, and export facilities will be installed in phases as the field development progresses.

The full field development plan will include the expansion of the processing facilities to enable handling and processing of up to

20,000 barrels of crude per day for the expected peak production levels including installing a 10 km export flow-line from the Asaramatoru Oil Field to a tie-in point at the Oloma Flow Station which is connected to the nearby Bonny Export Terminal.

Duncan Blount, CEO of Decklar, stated, "The participation in the proven Asaramatoru Oil Field is another significant milestone for Decklar in our growth strategy of acquiring and developing near-term cash flow generating assets in Nigeria's Niger Delta region. With the acquisition of the interest in the Asaramatoru Field, we expect that Decklar will be producing from two oil fields, the Oza Field and the Asaramatoru Field, by the end of the year."

Update on Unit Offering

Decklar also announces that it is no longer seeking to complete the remaining \$4,925,000 of the Company's \$15,000,000 non-brokered unit financing (the "Offering"). The Offering was conducted by way of a unit offering at a price of \$1.00 per unit (a "Unit"), with each Unit consisting of one common share of Decklar (a "Common Share") and one-half common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$1.50 per Common Share for a period of 12 months from the closing date of the Offering.

The first closing of the Offering was completed for total gross proceeds of CAD \$10,075,000 in respect of subscriptions for 10,075,000 Units, with net proceeds to the Company totaling CAD \$9,404,700.

Funds raised by the Offering will be used to pursue new oil and gas development opportunities in Nigeria, to continue to develop the Oza Oil Field, and for general corporate purposes.

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All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.

The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.