

Decklar Resources Inc. Announces Filing of 2021 Year End Reports, Reserve Report Highlights, and Purchase Warrant Extension

- Decklar's 2021 year-end reports have been completed and are available on the Company's website at www.decklarresources.com and have also been filed on www.sedar.com.
- Decklar's share of gross proved + probable crude oil reserves have increased to 9.07 million barrels, a 375% increase from year end 2020 reserves, with an after-tax estimated valuation of US\$128 million (discounting cash flows at 10% per annum).
- Decklar intends to apply to the TSXV to seek approval for the extension of the expiry date of certain common share purchase warrants issued to subscribers as part of the Company's private placement financings completed in 2021.

CALGARY, Alberta, May 03, 2022 -- **Decklar Resources Inc. (TSX-V: DKL) (OTCQX: DLKRF) (FSE: A1U1)** (the "Company" or "Decklar") is pleased to announce the filing of its 2021 year-end reports, an application to extend to the expiry date for certain purchase warrants, and highlights of the Company's Form 51-101F1 - *Statement of Reserves Data and Other Oil and Gas Information* as of December 31, 2021 (the "51-101F1").

Completion and Filing of 2021 Year-End Reports

Decklar has completed and filed its 2021 year-end reports, including audited consolidated financial statements for the years ended December 31, 2021 and 2020 (the "Annual Financial Statements"), management's discussion and analysis as at December 31, 2021 (the "MD&A"), and collectively with the Annual Financial Statements and the 51-101F1, the "Year-End Reports", and the 51-101F1. The Year-End Reports are all available on the Company's website at www.decklarresources.com and have also been filed on www.sedar.com.

Highlights of 2021 Reserves Summary Report

The Company engaged McDaniel & Associates ("McDaniel") to perform an independent review of the Company's oil and gas reserves as at December 31, 2021 (the "McDaniel Report"). McDaniel is a qualified reserves engineer and reports in compliance with the Canadian National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") and the Canadian Oil and Gas Evaluation Handbook. All references to reserves and valuation of those reserves in this release are derived directly from the McDaniel Report.

The Company has significantly increased its reserves during 2021 through its acquisition of Purion Energy Limited ("Purion"), through which the Company acquired an economic interest in the Asaramatoru oil field in Nigeria (the "Asaramatoru Field"), and through the re-entry of the Company's Oza-1 well in the Oza oil field in Nigeria, which converted several hydrocarbon zones from contingent resources to reserves.

The Company's share of gross proved reserves ("1P") of light/medium crude oil has increased by 3.60 million bbls to 4.79 million bbls, a 303% increase as compared to year end 2020.

The Company's share of gross proved + probable reserves ("2P") of light/medium crude oil has increased by 7.16 million bbls to 9.07 million bbls, a 375% increase as compared to year end 2020.

The Company's share of gross proved + probable + possible reserves ("3P") of light/medium crude oil has increased by 11.75 million bbls to 14.48 million bbls, a 430% increase as compared to year end 2020.

The following table summarizes Decklar's share of gross and net (after deducting royalties) reserves as at December 31, 2021, in thousands of barrels ("Mbbbl").

Reserves Category	Light/Medium Crude Oil	
	Gross (Mbbbl)	Net (Mbbbl)
Proved		
Proved Developed Producing	-	-
Proved Developed Non-Producing	2,479	2,356
Proved Undeveloped	2,315	2,182
Total Proved	4,794	4,538
Total Probable	4,275	4,016
Total Proved + Probable	9,069	8,555
Total Possible	5,408	5,052
Total Proved + Probable + Possible	14,477	13,606

The independent valuation of the Company's reserves has increased corresponding to the increase in reserve volumes and is also impacted by economic factors such as commodity pricing. The McDaniel Report and valuations are based on McDaniel's brent crude oil pricing forecasts from January 1, 2022, summarized below, denoted in US dollars per barrel ("US\$/bbl").

Year	Brent Crude Oil Price (US\$/bbl)
2022	75.00
2023	69.87
2024	67.63
2025	68.98
2026	70.36
2027	71.77
2028	73.20
2029	74.66
2030	
Inflation after 2031	2%

The estimated value of Decklar's 1P reserves, discounted at 10% per annum, has increased by US\$64.41 million to US\$74.06 million, a 667% increase as compared to year end 2020.

The estimated value of Decklar's 2P reserves, discounted at 10% per annum, has increased by US\$106.58 million to US\$128.00 million, a 498% increase as compared to year end 2020.

The estimated value of Decklar's 3P reserves, discounted at 10% per annum, has increased by US\$144.27 million to US\$176.69 million, a 445% increase as compared to year end 2020.

The following table summarizes the estimated after tax value of Decklar's reserves as at December 31, 2021, denoted in thousands of US dollars ("US\$M").

Reserves Category	Cash Flow After Income Taxes, Discounted at (%/year)					Unit Value after Income Tax Discounted at 10%/year (US\$/bbl)
	0% (US\$M)	5% (US\$M)	10% (US\$M)	15% (US\$M)	20% (US\$M)	
Proved						
Proved Developed Producing	-	-	-	-	-	-
Proved Developed Non-Producing	59,032	53,016	48,098	44,020	40,592	20.41
Proved Undeveloped	41,757	32,829	25,962	20,589	16,320	11.90
Total Proved	100,789	85,844	74,060	64,609	56,913	16.32
Total Probable	100,561	72,990	53,937	40,422	30,620	13.43
Total Proved + Probable	201,350	158,834	127,997	105,030	87,532	14.96
Total Possible	91,460	65,035	48,697	37,968	30,553	9.64
Total Proved + Probable + Possible	292,810	223,870	176,694	142,999	118,085	12.99

As part of the process to prepare and review the Company's reserve report and related summaries for the 2021-year end, a correction to information released on December 13, 2021, has been made for the reserves reported for the Asaramatoru Oil Field. The volumes previously reported by the Company represented a 100% coverage of the risk finance and technical services agreement ("RFTSA") in the Asaramatoru Oil Field, rather than the 51% coverage of the RFTSA that the Company holds through Purion's agreement with the field operator, Prime Exploration and Production Limited. This has been corrected in the Company's 51-101F1. The Company continues to negotiate with the owner of the remaining 49% of the Asaramatoru Field in order to apply the RFTSA across the remaining 49% of the license.

Duncan Blount, CEO of Decklar Resources, remarked, "We are greatly excited by the upside opportunities presented by the reserves potential of the Oza and Asaramatoru Fields. The activities that we successfully completed in 2021, including the acquisition of the economic interest in the Asaramatoru Field and the appraisal and development success of the Oza-1 well re-entry, position the Company for strong production growth in 2022 and in the years to come."

Extension to Expiry Date for \$1.50 Purchase Warrants

The Company intends to apply to the TSX Venture Exchange (the "TSXV") to seek approval for the extension of the expiry date of: (i) the 5,037,499 common share purchase warrants (the "**May Warrants**") that were issued to subscribers as part of the Company's private placement financing which closed on May 25, 2021; and (ii) the 2,500,000 common share purchase

warrants (the “**August Warrants**”, and together with the May Warrants, the “**Warrants**”) that were issued to subscribers as part of the Company’s private placement financing which closed on August 27, 2021. The Company proposes to extend the expiry date of the Warrants for a period of one year (the “**Warrant Extension**”), for the May Warrants extending the expiration date from May 25, 2022 until May 25, 2023 and for the August Warrants extending the expiration date from August 27, 2022 until August 27, 2023. All other terms of the Warrants will remain the same. The proposed Warrant Extension is subject to TSXV acceptance.

Reserves Definitions

With respect to the reserves data contained herein, the following terms have the meanings indicated:

“developed” reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g. when compared to the cost of drilling a well) to put the reserves on production.

“developed producing” reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

“developed non-producing” reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

“possible” reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

“probable” reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. At least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves is the targeted level of certainty.

“proved” are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. At least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves is the targeted level of certainty.

“reserves” are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on: (a) analysis of drilling, geological, geophysical, and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates.

“undeveloped” reserves are those reserves expected to be recovered from known accumulations where a significant capital expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Language

Information Regarding Reserves and Net Present Value of Future Net Revenues

All information contained in this press release regarding reserves and the net present value of future net revenue has been derived from the independent reserves report prepared by McDaniel and Associates, which has an effective date of December 31, 2021.

Certain statements made and information contained herein constitute “forward-looking information” (within the meaning of applicable Canadian securities legislation. All statements in this news release, other than statements of historical facts, are forward-looking statements. Such statements and information (together, “forward looking statements”) relate to future events or the Company’s future performance, business prospects or opportunities. Forward looking statements in this announcement include, but are not limited to: the Company’s ability to conclude negotiations with the owner of the remaining 49% of the

Asaramatoru Field in order to apply the RFTSA across the remaining 49% of the license; the Company's expectation for strong production growth in 2022; McDaniel's brent crude oil pricing forecasts; and the Company's intention to apply to the TSXV for the Warrant Extension. 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, the impact of inflation, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, TSXV approval, of the Warrant Extension, 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.

Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. Actual reserve values may be greater than or less than the estimates provided herein.

There are numerous uncertainties inherent in estimating quantities of crude oil reserves. The reserve information set forth herein are estimates only. In general, estimates of economically recoverable crude oil reserves are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For these reasons, estimates of the economically recoverable crude oil reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. Decklar's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material. Therefore, Decklar's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking estimates and if such actual results, performance or achievements transpire or occur, or if any of them do so, there can be no certainty as to what benefits Decklar will derive therefrom.

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.