LYCOS ENERGY INC. ANNOUNCES OPERATIONS UPDATE, 2023 GUIDANCE, AND ORGANIZATIONAL UPDATE

Calgary, Alberta – April 3, 2023 - Lycos Energy Inc. ("**Lycos**" or the "**Company**") (TSXV: LCX) is pleased to provide an operations update, 2023 guidance and personnel updates.

Company Highlights

- Current production exceeds 3,000 boe/d (99% oil).
- The three most recently drilled wells have produced average initial production rates of 295 boe/d (100% oil) (30-60 days rates) and are currently producing an average of 290 boe/d (100% oil).
- Production is forecast to average 3,000 boe/d (99% oil) in 2023.
- 2023 Adjusted Funds Flow from Operations is forecast to be $37.2 million.
- Q4 2023 forecasted production average is forecast to be 4,000 boe/d (99% oil).
- Q4 2023 Adjusted Funds Flow from Operations is forecast to be $14 million.
- Greater than 35% growth in production per share is forecast in 2023 with exploration and development capital spending within cash flow.
- Promotions of Mr. Kyle Boon to the role of Chief Operating Officer and Mr. Barret Henschel to the role of Vice President, Production.

The highlights reported in this press release include certain non-IFRS financial measures and ratios which have been identified using capital letters. The reader is cautioned that these measures may not be directly comparable to other issuers; refer to additional information under the heading "*Specified Financial Measures*".

Operations Update

The Company is currently producing more than 3,000 boe/d (99% oil), with production and drilling results from the recently completed heavy oil acquisition in Lloydminster exceeding expectations.

Initial production rates for the Company's three most recent wells were as follows:

	IP30 (boe/d) (100% oil)	IP60 (boe/d) (100% oil)	HZ Length in Zone (m)
00/11-13-052-07W4/0 (10 Leg)	211	200	8,740
02/13-13-052-07W4/0 (9 Leg)	325	318	10,238
00/04-14-052-07W4/0 (Half Fishbone)	350	NA	8,327

The "half fishbone" well is a new geometry used by Lycos to access un-swept reservoir underneath and beside the heel sections of existing wells. The Company will continue to use this design to maximize reservoir access in drill spacing units. The continued success of this design will add 2 additional wells per section to the Company’s multi-lateral inventory.

Lycos has also drilled and recently placed on production two additional fishbone multi-lateral wells. Both wells had encouraging geotechnical results and we look forward to reporting back initial production results by the end of the second quarter of 2023.

Field operations for the first quarter have been completed and we anticipate starting our next drilling campaign with two drilling rigs scheduled to start in mid-June.

Lycos's multi-lateral drills are delivering excellent results and Capital Efficiencies. The average total costs associated with the three most recent wells was $1.75 million per well, including associated water and production infrastructure.

2023 Guidance

Lycos provides the following guidance for the calendar year 2023[(1)]:

Annual average production	3,000 boe/d (99% oil)
Q4 2023 average production	4,000 boe/d (99% oil)
Acquisition capital	$50.0 million
Exploration, development and other capital	$37.0 million
Total capital expenditures[(2)]	$87.0 million
Adjusted Funds Flow from Operations[(3)]	$37.2 million
Exit Adjusted Working Capital[(3)]	$8.3 million

Notes:

(1) Annual guidance numbers are based on 2023 average pricing assumptions of: US$75.00/bbl WTI; (US$15.00) WCS differential; and $0.741 CAD/USD.

(2) Capital budget includes exploration and development capital, decommissioning, facilities, land and seismic and asset acquisitions and dispositions.

(3) See "*Specified Financial Measures*".

Organizational Changes

Lycos is pleased to announce that Mr. Kyle Boon, Vice President, Operations, has been promoted to the position of Chief Operating Officer, and Mr. Barret Henschel, Operations Manager, has been promoted to the position of Vice President, Production effective today. Messrs. Boon and Henschel have been integral to the Company's development strategy and capital discipline. These changes substantially augment Lycos' operational strengths and overall abilities.

About Lycos

Lycos is an oil-focused, exploration, development and production company based in Calgary, Alberta, operating high-quality, heavy-oil, development assets in the Gull Lake area of southwest Saskatchewan and heavy-oil assets in the Lloydminster area.

Additional Information

For further information, please contact:

Lycos Energy Inc.
Dave Burton
President and CEO

T: (403) 616 - 3327
E: dburton@lycosenergy.com

Lindsay Goos
Chief Financial Officer
T: (403) 542-3183
E: lgoos@lycosenergy.com

Reader Advisories

Forward-Looking and Cautionary Statements

Certain statements contained within this press release constitute forward-looking statements within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "budget", "plan", "endeavor", "continue", "estimate", "evaluate", "expect", "forecast", "monitor", "may", "will", "can", "able", "potential", "target", "intend", "consider", "focus", "identify", "use", "utilize", "manage", "maintain", "remain", "result", "cultivate", "could", "should", "believe" and similar expressions. Lycos believes that the expectations reflected in such forward-looking statements are reasonable as of the date hereof, but no assurance can be given that such expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. Without limitation, this press release contains forward-looking statements pertaining to: Lycos's business strategy, objectives, strength and focus; anticipated capital program and operational results for 2023 including, but not limited to, estimated or anticipated production levels, capital expenditures, drilling plans and locations and forecast adjusted funds flow from operations; expectations regarding commodity prices; the performance characteristics of the Company's oil and natural gas properties; the ability of the Company to achieve drilling success consistent with management's expectations; and the source of funding for the Company's activities including development costs. Statements relating to production, reserves, recovery, replacement, costs and valuation are also 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.

The forward-looking statements and information are based on certain key expectations and assumptions made by Lycos, including expectations and assumptions concerning the business plan of Lycos; the timing of and success of future drilling, development and completion activities; the geological characteristics of Lycos's properties; prevailing commodity prices, price volatility, price differentials and the actual prices received for the Company's products; the availability and performance of drilling rigs, facilities, pipelines and other oilfield services; the timing of past operations and activities in the planned areas of focus; the drilling, completion and tie-in of wells being completed as planned; the performance of new and existing wells; the application of existing drilling and fracturing techniques; prevailing weather and break-up conditions; royalty regimes and exchange rates; the application of regulatory and licensing requirements; the continued availability of capital and skilled personnel; the ability to maintain or grow its credit facility; the accuracy of Lycos's geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation; and Lycos's ability to execute its plans and strategies.

Although Lycos believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward- looking statements and information because Lycos can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to, incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs; fluctuations in commodity prices, changes in industry regulations and political landscape both domestically and abroad, wars (including Russia's military actions in Ukraine), hostilities, civil insurrections, foreign exchange or interest rates, increased operating and capital costs due to inflationary pressures (actual and anticipated), volatility in the stock market and financial system, impacts of the current COVID-19 pandemic and the retention of key management and employees. Ongoing military actions between Russia and Ukraine have the potential to threaten the supply of oil and gas from the region. The long-term impacts of the actions between these nations remains uncertain. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Lycos undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

Future Oriented Financial Information

This press release contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about Lycos' prospective results of operations and production, organic growth and acquisitions, operating costs, 2023 outlook and guidance, including capital expenditures and adjusted funds flow from operations in 2023 and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about Lycos' proposed business activities in 2023. Lycos and its management believe that FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future activities or results. Lycos disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein. Changes in forecast commodity prices, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in Lycos' guidance. The Company's actual results may differ materially from these estimates.

Oil and Gas Metrics. This press release contains metrics commonly used in the oil and natural gas industry which have been prepared by management". These terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare our operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this presentation, should not be relied upon for investment or other purposes.

Specified Financial Measures

This press release includes various specified financial measures, including non-IFRS financial measures, non-IFRS financial ratios and capital management measures as further described herein. These measures do not have a standardized meaning prescribed by International Financial Reporting Standards ("**IFRS**") and, therefore, may not be comparable with the calculation of similar measures by other companies.

"Adjusted Working Capital" is calculated as current assets less current liabilities, excluding derivative financial instrument assets and liabilities, lease liabilities and the deferred premium on flow through shares (if applicable).

"**Adjusted Funds Flow from Operations**" (capital management measure) is calculated by taking cash-flow from operating activities, on a periodic basis, and adding back changes in non-cash working capital, expenditures on decommissioning obligations and transaction costs since Expenditures on decommissioning obligations may vary from period to period depending on capital programs and the maturity of the Company's operating areas. Expenditures on decommissioning obligations are managed through the capital budgeting process which considers available adjusted funds flow. Lycos uses adjusted funds flow as a key measure to demonstrate the Company's ability to generate funds to repay debt and fund future capital investment. Adjusted funds flow per share is calculated using the same weighted average basic and diluted shares that are used in calculating income per share.

"**Capital Efficiency**" is the amount spent to add an additional barrel a day of production to a Company's annual exit production.

Abbreviations

bbl	barrels of oil
bbl/d	barrels of oil per day

boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
IP30	average production for the first 30 days that a well is onstream
IP60	average production for the first 60 days that a well is onstream
Mbbl	thousand barrels of oil
Mboe	thousand barrels of oil equivalent
MMbbl	million barrels of oil
MMboe	million barrels of oil equivalent
MMcf	million cubic feet
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade
WCS	Western Canadian select, the benchmark for conventional and oil sands heavy production at Hardisty in Western Canada

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.