

Lycos Energy Inc. Announces Initial Results from Moonshine Well, 2026 Capital Budget and Appointment to Board of Directors

Calgary, Alberta--(Newsfile Corp. - April 22, 2026) - Lycos Energy Inc. (TSXV: LCX) ("**Lycos**" or the "**Company**") is pleased to provide an operational update on its recently drilled Moonshine well in East Central Alberta and outline its 2026 capital budget.

2026 Capital Budget

Lycos has approved 2026 capital expenditures⁽¹⁾ of \$35 million to \$40 million, focused on the continued development of its Mannville heavy oil assets in East Central, Alberta. The program is expected to support the drilling of approximately 15 to 20 gross (15 to 20 net) wells, primarily targeting the Moonshine area, with additional activity planned across the Company's broader East Central, Alberta land base.

The 2026 program is designed as a disciplined, proof-of-concept phase, with the Company planning to drill initial wells across several pads to delineate the asset base. This approach is expected to provide key reservoir and operational data to optimize future development. As additional pads are developed, Lycos expects to return to these locations with multi-well programs, supporting improved capital efficiencies.

Drilling activity is expected to commence in the second quarter, with the majority of activity concentrated in the latter part of the quarter and into the second half of the year, positioning the Company to deliver exit production of approximately 2,500 to 3,000 boe/d.

In addition to drilling, the program includes continued investment in waterflood optimization and facility infrastructure to support base production and improve capital efficiency across the asset base.

Lycos remains focused on executing a disciplined development program while advancing its inventory of high-quality Mannville drilling opportunities. Results from the Moonshine well are expected to support future development planning and capital allocation decisions throughout 2026.

Moonshine Well Update

In March 2026, the Company drilled one gross (1.0 net) single-leg circulating string well in the Moonshine area targeting the Mannville formation. Since being brought on production, the well has demonstrated increasing production rates with associated sand production consistent with expectations for the reservoir. The well achieved a 30-day initial production ("IP30") rate of approximately 140 boe/d and is currently exceeding 160 boe/d.

The Company continues to monitor well performance and will use this data to support future pad development planning and type curve refinement.

The Company believes these initial results support the development potential of the Moonshine area and will assist in delineating additional drilling locations across its Mannville land base.

Board Appointment

The Company is pleased to announce the appointment of Craig Bryksa to its Board of Directors effective today. Mr. Bryksa brings more than 23 years of experience in the energy industry. He most recently served as President and Chief Executive Officer of Veren Inc. until its combination with Whitecap Resources Inc. in May 2025. Prior to this role, he held a number of senior management

positions within the organization, including Vice President, Engineering West, after joining the company in 2006. His industry experience as a professional engineer also includes roles with Enerplus Resources Fund and McDaniel & Associates Consultants. Mr. Bryksa is a member of both the Association of Professional Engineers and Geoscientists of Alberta and the Association of Professional Engineers and Geoscientists of Saskatchewan and holds a Bachelor of Applied Science in Petroleum Systems Engineering from University of Regina.

Stock Option Grant

The Company granted a total of 3,320,000 stock options today pursuant to the Company's stock option plan, of which approximately 2,820,000 were granted to certain directors and officers. The options expire five years from the date of grant and are exercisable at a price of \$2.20 per common share. The options vest as to one-third on each of the first, second and third anniversaries of the grant date.

The Company also intends to adopt a new share award incentive plan, subject to acceptance by the TSX Venture Exchange and ratification by shareholders at the next annual general meeting. If implemented, the new plan would complement, and operate alongside, the Company's existing stock option plan, providing the Company with additional flexibility in structuring future long-term incentive awards as restricted share awards and performance share awards.

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 East Central, Alberta area.

Additional Information

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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 (including negatives and variations thereof). 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: the Company's 2026 outlook, budget and production targets, including anticipated exit production; the business strategy, objectives, strength and focus of Lycos; expectations regarding future development programs, drilling activity, pad development and capital allocation; expectations regarding the Moonshine well performance, type curve refinement and future drilling opportunities; expectations regarding waterflood optimization and facility infrastructure investment; expectations regarding commodity prices; the performance characteristics of Lycos' oil and natural gas

properties; the ability of Lycos to achieve drilling success consistent with management's expectations; capital efficiencies and the expected benefits of a multi-well pad development approach; the source of funding for Lycos' activities including development costs; and the proposed adoption of a new share award incentive plan. 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 oil exists in the quantities predicted or estimated and that the oil 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' properties; prevailing commodity prices, price volatility, price differentials and the actual prices received for Lycos' 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' geological interpretation of its drilling and land opportunities, including the ability of seismic activity to enhance such interpretation; and Lycos' 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, unforeseen difficulties in integrating recently acquired assets into Lycos' operations; incorrect assessments of the value of benefits to be obtained from business combinations and exploration and development programs; fluctuations in commodity prices, changes in industry regulations and political landscape both domestically and abroad, wars (including in the Middle East and 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 pandemics, the retention of key management and employees, risks with respect to unplanned third-party pipeline outages, risks relating to the Alberta wildfires, including in respect of safety, asset integrity and shutting in production, risks relating to environmental regulations and climate-related policy changes, risks associated with the Company's ability to obtain regulatory approvals and maintain necessary licences, and risks relating to the availability of adequate water supply and disposal capacity for operations. Ongoing military actions in the Middle East 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 remain uncertain. Please refer to the annual information form for the year ended December 31, 2025, and management's discussion and analysis for the year ended December 31, 2025 (the "MD&A") for additional risk factors relating to Lycos, which can be accessed either on Lycos' website at www.lycosenergy.com or under Lycos' SEDAR+ profile at www.sedarplus.ca. 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, 2026 capital expenditures of \$35 million to \$40 million and drilling program, including anticipated 2026 exit

production of 2,500 to 3,000 boe/d, 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 2026. 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 production estimates can have a significant impact on the key performance measures included in Lycos' outlook. The Company's actual results may differ materially from these estimates.

Disclosure of Oil and Gas Information

Unit Cost Calculation. The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet per barrel (6 Mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in this press release are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

Product Types. Throughout this press release, "crude oil" or "oil" refers to heavy crude oil product types as defined by National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*.

Short-Term Production. References in this press release to current production, short-term production rates, and IP30 are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of Lycos.

Non-IFRS Measures, Non-IFRS Financial Ratios and Capital Management 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.

"Capital expenditures (non-IFRS financial measure)" includes exploration and development capital, facilities, land and seismic and acquisitions and dispositions. Management considers capital expenditures to be a key measure to assess the Company's capital investment in exploration and production activity, as well as property acquisitions and dispositions. The directly comparable IFRS measure to capital expenditures is net cash used in investing activities.

Please refer to the MD&A on pages 17 to 19 for additional information relating to specified financial measures, including non-IFRS financial measures, non-IFRS financial ratios and capital management measures. The MD&A can be accessed either on the Company's website or under the Company's SEDAR+ profile on www.sedarplus.ca.

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
Mbbl	thousand barrels of oil
Mboe	thousand barrels of oil equivalent
Mcf	thousand cubic feet
MMbbl	million barrels of oil
MMboe	million barrels of oil equivalent
MMcf	million cubic feet

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

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



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