



NEWS RELEASE

ALVOPETRO ANNOUNCES 21% INCREASE IN 2P RESERVES

Calgary, Alberta, March 9, 2021 – Alvopetro Energy Ltd. (TSX-V:ALV; OTCQX: ALVOF) announces our reserves as at December 31, 2020 with total proved plus probable ("2P") reserves of 9.6 MMboe and a before tax value discounted at 10% of US\$195.2 million, changes of 21% and (2%) respectively from our previous years reporting. The reserves data set forth herein is based on an independent reserve assessment and evaluation prepared by GLJ Ltd. ("GLJ") dated March 8, 2021 with an effective date of December 31, 2020 (the "GLJ Report").

December 31, 2020 Reserve Report Highlights

- Proved reserves ("1P") and 2P reserves increased to 5.1 mmboe (+4%) and 9.6 mmboe (+21%) respectively, primarily due to the addition of development locations at our Gomo development.
- Reserve additions replaced production by 154% on a Proved and 594% on a 2P basis.
- Recognized 2P F&D costs of \$3.50/boe, representing a recycle ratio of 8.0 times based on estimated Q4 2020 operating netbacks.
- 2P net present value before tax discounted at 10% decreased 2% to \$195.2 million despite a 16% average decrease in GLJ's forecasted prices.
- This represents a 2P Net Asset Value of CAD\$2.35/share (US\$1.86/share).

Corey Ruttan, President and Chief Executive Officer, commented:

"Our 2020 reserves evaluation highlights the strong results from our Caburé natural gas field and the early recognition of our Gomo resource potential. Even with an average 16% year over year decline in GLJ's forecasted commodity prices, our 2P before tax net present value, discounted at 10%, only declined 2% to US\$195.2 million. We are excited to be advancing our Gomo project, which was the main driver for our 21% overall increase in 2P reserves from 7.9 MMboe to 9.6 MMboe."

Alvopetro Energy Ltd. Gross Reserves Summary at December 31, 2020^{(1), (2), (3), (4), (5), (6)}

	Total Proved	Total Proved plus Probable	Total Proved plus Probable plus Possible
Conventional Natural Gas (Mboe)	4,601	8,538	12,421
Light & Medium Oil (Mbbl)	167	300	589
Natural Gas Liquids (Mbbl)	340	756	1,199
Total oil equivalent (Mboe)	5,108	9,593	14,209
Before Tax Net Present Value, discount at 10% (MUS)	\$116,463	\$195,215	\$274,816
After Tax Net Present Value, discounted at 10% (MUS)	\$105,852	\$169,985	\$232,645

(1) Gross Reserves means the Company's working interest reserves before calculation of royalties.

(2) The tables above are a summary of the reserves of Alvopetro and the net present value of future net revenue attributable to such reserves as evaluated in the GLJ Report based on forecast price and cost assumptions. The tables summarize the data contained in the GLJ Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.

(3) MUS = 000's of U.S. dollars.

(4) Mbbl = thousands of barrels.

(5) Mboe = thousands of barrels of oil equivalent.

(6) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Net Asset Value

Following the December 31, 2020 reserves evaluation, based on the before tax net present value of Alvopetro's 2P reserves, our total net asset value is \$185.3 million, reflecting CAD\$2.35 per common share outstanding.

Net Asset Value (in MUS, other than per share amounts)	Total Proved	Total Proved plus Probable	Total Proved plus Probable plus Possible
Before Tax Net Present Value, discounted at 10% (MUS)	\$116,463	\$195,215	\$274,816
Net debt – as at December 31, 2020 ⁽¹⁾	(9,884)	(9,884)	(9,884)
Total Net Asset Value⁽²⁾	\$106,579	\$185,331	\$264,932
CAD per basic share⁽³⁾	\$1.35	\$2.35	\$3.36

- (1) Net debt is computed as the carrying amount of the Company's Credit Facility, decreased by net working capital surplus. The Net debt balance included in the table above is based on unaudited and preliminary financial information as at December 31, 2020. This balance is subject to change following conclusion of the Company's year-end audit. See "Unaudited Financial Information" at the end of this news release.
- (2) Alvopetro has reflected all contractual obligations pursuant to our September 2018 Gas Treatment Agreement with Enerflex, including the equipment rental component of the agreement which is treated as a right of use asset and reflected as a capital lease obligation on our financial statements. As the future capital lease payments reduce the forecasted future net revenue in all reserves categories, the capital lease obligation as reflected on the Company's financial statements has not been included in the table above.
- (3) Converted to Canadian dollars ("CAD") based on the exchange rate on March 8, 2021. The per share calculation is computed based on 99.7 million common shares outstanding as of March 8, 2021.

December 31, 2020 Reserves

The GLJ Report has been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook ("COGEH") that are consistent with the standards of National Instrument 51-101 ("NI 51-101"). GLJ is a qualified reserves evaluator as defined in NI 51-101. The GLJ Report was an evaluation of all reserves of Alvopetro including our Caburé and Caburé Leste natural gas fields (collectively referred to as our Caburé natural gas field), the Gomo natural gas from the areas around our 183(1) and 197(1) wells, as well as our Bom Lugar and Mãe-da-lua oil fields.

Summary of Reserves ^{(1), (2), (5), (7), (8)}

Company Total

	Light & Medium Oil		Conventional Natural Gas		Natural Gas Liquids		Oil Equivalent	
	Company Gross	Company Net	Company Gross	Company Net	Company Gross	Company Net	Company Gross	Company Net
	(Mbbl)	(Mbbl)	(MMcf)	(MMcf)	(Mbbl)	(Mbbl)	(Mboe)	(Mboe)
Proved								
Producing	-	-	23,201	21,750	231	217	4,098	3,842
Developed Non-Producing	22	19	2,103	1,939	52	48	425	390
Undeveloped	145	136	2,302	2,123	57	52	586	542
Total Proved	167	155	27,606	25,812	340	318	5,108	4,774
Probable	133	123	23,619	21,939	416	384	4,485	4,164
Total Proved plus Probable	300	278	51,226	47,751	756	702	9,593	8,938
Possible	289	270	23,298	21,568	443	408	4,615	4,273
Total Proved plus Probable plus Possible	589	548	74,524	69,319	1,199	1,110	14,209	13,211

By Field

	Caburé Natural Gas Field		Gomo Gas Field		Bom Lugar Oil Field		Mãe-da-lua Oil Field		Total	
	Company Gross	Company Net	Company Gross	Company Net	Company Gross	Company Net	Company Gross	Company Net	Company Gross	Company Net
	(Mboe)	(Mboe)	(Mboe)	(Mboe)	(Mboe)	(Mboe)	(Mboe)	(Mboe)	(Mboe)	(Mboe)
Proved										
Producing	4,098	3,842	-	-	-	-	-	-	4,098	3,842
Developed Non-Producing	-	-	403	371	-	-	22	19	425	390
Undeveloped	-	-	441	406	145	136	-	-	586	542
Total Proved	4,098	3,842	843	777	145	136	22	19	5,108	4,774
Probable	1,920	1,804	2,433	2,237	121	113	12	10	4,485	4,164
Total Proved plus Probable	6,018	5,646	3,276	3,014	266	249	34	29	9,593	8,938
Possible	1,650	1,552	2,675	2,452	272	256	17	14	4,615	4,273
Total Proved plus Probable plus Possible	7,668	7,198	5,951	5,466	538	505	51	43	14,209	13,211

Summary of Before Tax Net Present Value of Future Net Revenue - MUS ^{(1), (2), (3), (4), (5), (6)}

Company Total

	Undiscounted	5%	10%	15%	20%
Proved					
Producing	140,695	122,535	107,524	95,353	85,421
Developed Non-Producing	7,701	4,871	3,115	2,025	1,316
Undeveloped	19,459	10,126	5,825	3,520	2,133
Total Proved	167,855	137,531	116,463	100,897	88,870
Probable	205,752	117,703	78,752	56,696	42,526
Total Proved plus Probable	373,607	255,234	195,215	157,593	131,396
Possible	244,931	126,208	79,601	55,412	40,923
Total Proved plus Probable plus Possible	618,538	381,442	274,816	213,005	172,319

By Field

	Undiscounted	5%	10%	15%	20%
Proved					
Caburé Natural Gas Field	140,695	122,535	107,524	95,353	85,421
Gomo Gas Field	25,719	13,847	8,047	4,867	2,949
Bom Lugar Oil Field	1,655	1,331	1,050	815	623
Mãe-da-lua Oil Field	(214)	(182)	(157)	(138)	(122)
Total Proved	167,855	137,531	116,463	100,897	88,870
Proved Plus Probable					
Caburé Natural Gas Field	217,870	177,381	146,901	124,192	106,922
Gomo Gas Field	149,913	73,083	44,389	30,147	21,754
Bom Lugar Oil Field	5,755	4,690	3,840	3,167	2,635
Mãe-da-lua Oil Field	69	80	85	86	85
Total Proved Plus Probable	373,607	255,234	195,215	157,593	131,396
Proved Plus Probable Plus Possible					
Caburé Natural Gas Field	294,579	225,049	177,496	144,351	120,508
Gomo Gas Field	310,284	145,652	88,751	61,704	46,089
Bom Lugar Oil Field	13,274	10,355	8,206	6,610	5,407
Mãe-da-lua Oil Field	401	385	363	340	316
Total Proved Plus Probable Plus Possible	618,538	381,442	274,816	213,005	172,319

Summary of After Tax Net Present Value of Future Net Revenue – MUS ^{(1), (2), (3), (4), (5), (6)}

	Undiscounted	5%	10%	15%	20%
Proved					
Producing	128,100	112,187	98,887	88,047	79,168
Developed Non-Producing	5,720	3,818	2,491	1,619	1,033
Undeveloped	14,549	7,731	4,474	2,671	1,155
Total Proved	148,368	123,736	105,852	92,337	81,756
Probable	158,288	94,267	64,132	46,446	34,844
Total Proved plus Probable	306,656	218,003	169,985	138,784	116,600
Possible	181,522	97,111	62,660	44,210	32,912
Total Proved plus Probable plus Possible	488,178	315,114	232,645	182,993	149,511

Notes:

- (1) The tables above are a summary of the reserves of Alvopetro and the net present value of future net revenue attributable to such reserves as evaluated in the GLJ report based on forecast price and cost assumptions. The tables summarize the data contained in the GLJ Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.
- (2) Company Gross reserves means the total working interest share of remaining recoverable reserves owned by Alvopetro before deductions of royalties payable to others and without including any royalty interests owned by Alvopetro.
- (3) GLJ's December 31, 2020 escalated price forecast is used in the determination of future gas sales prices under Alvopetro's long-term gas sales agreement. See <https://www.gljpc.com/sites/default/files/pricing/jan21.pdf> for GLJ's price forecast.
- (4) The net present value of future net revenue attributable to Alvopetro's reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, well abandonment and reclamation costs for only those wells assigned reserves and material dedicated gathering systems and facilities. The net present values of future net revenue attributable to the Alvopetro's reserves estimated by GLJ do not represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of the Company's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.
- (5) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.
- (6) MUS = 000's of U.S. dollars.
- (7) Mbbl = thousands of barrels; Mboe = thousands of barrels of oil equivalent.
- (8) MMcf = Million cubic feet.

Future Development Costs

The table below sets out the total development costs deducted in the estimation in the GLJ Report of future net revenue attributable to proved reserves, proved plus probable reserves and proved plus probable plus possible reserves (using forecast prices and costs). Total development costs include capital costs for drilling and facilities but excludes abandonment and reclamation costs.

Company Total

MUS ⁽¹⁾ , Undiscounted	Forecast Prices and Costs			
	Proved Producing	Proved	Proved Plus Probable	Proved Plus Probable Plus Possible
2022	1,730	10,062	21,096	21,096
2023	1,730	1,730	1,730	5,727
2024	1,730	1,730	1,730	1,730
2025	1,730	1,730	1,730	1,730
Remaining Years	6,429	6,429	10,524	13,552
Total Undiscounted	15,309	25,741	40,870	47,895

Notes:

- ⁽¹⁾MUS = 000's of U.S. dollars.

Under each reserve category, Alvopetro has elected to reflect 100% of the contractual obligations pursuant to our Gas Treatment Agreement with Enerflex, including all operating, capital, and related financing costs for the full duration of the agreement. These costs are attributable to the Caburé field and also represent the majority of the future development costs for the Caburé field in the table below. The future costs associated with equipment rental are also reflected as a capital lease obligation on our financial statements.

The future development costs for the Gomo field in the proved category are for the pipeline and field facility development to tie-in the 183(1) well to Alvopetro's midstream assets, as well as a development location. In the probable and possible categories, there are future development costs for an additional development location and the stimulation and tie-in of the 197(1) well. The future development costs for Bom Lugar in the proved category include costs for a directional wellbore and facilities upgrade, both planned for 2022. A second directional well is included in the future development costs for the possible category for Bom Lugar. Future development costs at the Mãe-da-lua relate to a stimulation of the existing producing well, planned in 2022.

By Field

MUS ⁽¹⁾ , Undiscounted	2021	2022	2023	2024	2025	Remaining	Total
Proved							
Caburé Natural Gas Field	1,960	1,730	1,730	1,730	1,730	6,429	15,309
Gomo Gas Field	2,100	4,848	-	-	-	-	6,948
Bom Lugar Oil Field	-	3,053	-	-	-	-	3,053
Mãe-da-lua Oil Field	-	431	-	-	-	-	431
Total Proved	4,060	10,062	1,730	1,730	1,730	6,429	25,741
Proved Plus Probable							
Caburé Natural Gas Field	1,960	1,730	1,730	1,730	1,730	10,524	19,404
Gomo Gas Field	2,100	15,150	-	-	-	-	17,250
Bom Lugar Oil Field	-	3,785	-	-	-	-	3,785
Mãe-da-lua Oil Field	-	431	-	-	-	-	431
Total Proved Plus Probable	4,060	21,096	1,730	1,730	1,730	10,524	40,870
Proved Plus Probable Plus Possible							
Caburé Natural Gas Field	1,960	1,730	1,730	1,730	1,730	13,552	22,432
Gomo Gas Field	2,100	15,150	-	-	-	-	17,250
Bom Lugar Oil Field	-	3,785	3,997	-	-	-	7,783
Mãe-da-lua Oil Field	-	431	-	-	-	-	431
Total Proved Plus Probable Plus Possible	4,060	21,096	5,727	1,730	1,730	13,552	47,895

Notes:

(1) MUS = 000's of U.S. dollars.

Company Capital Program Efficiency (Estimated)

	Proved	Proved Plus Probable
Estimated 2020 capital expenditures (MUS) ⁽¹⁾⁽²⁾	3,814	3,814
Change in FDC required for reserves development (MUS)	(4,695)	3,296
Estimated F&D costs (MUS)	(881)	7,110
Gross reserve additions (Mboe)⁽³⁾	527	2,030
Estimated F&D costs per boe (\$/boe)⁽⁴⁾	-	3.50
Estimated Q4 2020 operating netback (\$/boe)⁽²⁾	27.92	27.92
Estimated recycle ratio⁽⁵⁾	-	8.0

Notes:

(1) MUS = 000's of U.S. dollars.

(2) The capital expenditures and the operating netback reflected in the table above are based on unaudited and preliminary financial information as at and for the three months and year ended December 31, 2020 (unaudited). These amounts are subject to change following conclusion of the Company's year-end audit. See "Unaudited Financial Information" at the end of this news release.

(3) Gross reserve additions are calculated as the change in reserves from the beginning to the end of the period, excluding any production in the period.

(4) Due to changes in projected capital expenditure for the Caburé project the resulting 2020 F&D costs is negative. For this reason, we did not calculate the resulting F&D cost per barrel in the proved reserves category.

(5) Recycle ratio is calculated by dividing the operating netback per boe by the estimated F&D costs per boe.

Total Future Net Revenue (Undiscounted) – Forecast Prices and Costs

	Revenue (MUS)	Royalties (MUS)	Operating Costs (MUS)	Develop- ment Costs (MUS)	Abandon- ment and Reclamation Costs (MUS)	Future Net Revenue Before Income Taxes (MUS)	Future Income Taxes (MUS)	Future Net Revenue After Income Taxes (MUS)
Total Proved	250,682	16,511	36,594	25,741	3,980	167,855	19,486	148,368
Total Proved plus Probable	526,106	36,477	69,737	40,870	5,415	373,607	66,951	306,656
Total Proved plus Probable plus Possible	825,068	58,962	94,091	47,895	5,581	618,538	130,360	488,178

Reconciliation of Alvopetro's Gross Reserves (Before Royalty) ^{(1), (2), (3), (4)}

	Proved (Mboe)	Probable (Mboe)	Proved Plus Probable (Mboe)	Possible (Mboe)	Proved plus Probable plus Possible (Mboe)
Extensions	420	1,573	1,994	1,330	3,324
Technical Revisions	107	(71)	36	(199)	(163)
Production	(342)	-	(342)	-	(342)
December 31, 2020	5,108	4,485	9,593	4,615	14,209

Notes:

- (1) Gross Reserves means the Company's working interest reserves before calculation of royalties.
- (2) Based on the GLJ price forecast effective December 31, 2020.
- (3) Mboe = Thousand barrels of oil equivalent
- (4) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves

Pricing Assumptions – Forecast Prices and Costs

GLJ employed the following pricing and inflation rate assumptions as of December 31, 2020 in the GLJ Report in estimating reserves data using forecast prices and costs.

Year	Brent Blend Crude Oil FOB North Sea (\$/Bbl)	National Balancing Point (UK) (\$/mmbtu)	NYMEX Henry Hub Near Month Contract (\$/mmbtu)	Alvopetro-Bahiagas Gas Contract \$/mmbtu (Current Year)	Alvopetro-Bahiagas Gas Contract \$/mmbtu (Previous Year)	Change from prior year
2021	50.75	6.50	2.75	5.70	7.21	(21%)
2022	55.00	5.85	2.80	6.40	7.57	(15%)
2023	58.50	5.85	2.85	6.65	7.93	(16%)
2024	61.79	6.00	2.90	6.89	8.24	(16%)
2025	62.95	6.15	2.95	7.14	8.49	(16%)
2026	64.13	6.25	3.01	7.31	8.69	(16%)
2027	65.33	6.35	3.07	7.45	8.90	(16%)
2028	66.56	6.50	3.13	7.59	9.09	(17%)
2029	67.81	6.65	3.19	7.74	9.26	(16%)
2030	69.17	6.78	3.25	7.90	9.45	(16%)

Corporate Presentation

Alvopetro's updated corporate presentation is available on our website at:

<http://www.alvopetro.com/corporate-presentation>.

Alvopetro Energy Ltd.'s vision is to become a leading independent upstream and midstream operator in Brazil. Our strategy is to unlock the on-shore natural gas potential in the state of Bahia in Brazil, building off the development of our Caburé natural gas field and our strategic midstream infrastructure.

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 news release.

All amounts contained in this news release are in United States dollars, except as otherwise noted.

Oil and Natural Gas Reserves. The disclosure in this news release summarizes certain information contained in the GLJ Report but represents only a portion of the disclosure required under NI 51-101. Full disclosure with respect to the Company's reserves as at December 31, 2020 will be contained in the Company's annual information form for the year ended December 31, 2020 which will be filed on SEDAR (www.sedar.com) on or before April 30, 2021. All net present values in this press release are based on estimates of future operating and capital costs and GLJ's forecast prices as of December 31, 2020. The reserves definitions used in this evaluation are the standards defined by COGEH reserve definitions and are consistent with NI 51-101 and used by GLJ. The net present values of future net revenue attributable to the Alvopetro's reserves estimated by GLJ do not represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of the Company's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Abbreviations:

CAD\$	=	Canadian dollars
F&D	=	finding and development costs
FDC	=	future development costs;
Mboe	=	thousand barrels of oil equivalent
MMbtu	=	million British Thermal Units
MMcf	=	million cubic feet
MMcf/d	=	million cubic feet per day
MMboe	=	million barrels of oil equivalent
MMUS	=	millions of U.S. dollars
MUS	=	thousands of U.S. dollars

BOE Disclosure. 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 (6Mcf/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 news release are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

Forward-Looking Statements and Cautionary Language. This news release contains "forward-looking information" within the meaning of applicable securities laws. The use of any of the words "will", "expect", "intend" and other similar words or expressions are intended to identify forward-looking information. More particularly and without limitation, this news release contains forward-looking information concerning the plans relating to the Company's operational activities, and the expected gas sales and gas deliveries under Alvopetro's long-term gas sales agreement. The forward-looking statements are based on certain key expectations and assumptions made by Alvopetro, including but not limited to the timing of regulatory licenses and approvals, the success of future drilling, completion, testing, recompletion and development activities, the outlook for commodity markets and ability to access capital markets, the impact of the COVID-19 pandemic, the performance of producing wells and reservoirs, well development and operating performance, general economic and business conditions, weather and access to drilling locations, the availability and cost of labour and services, environmental regulation, including regulation relating to hydraulic fracturing and stimulation, the ability to monetize hydrocarbons discovered, the regulatory and legal environment and other risks associated with oil and gas operations. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. Although Alvopetro believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Alvopetro can give no assurance that it will prove to be correct. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the operations or financial results of Alvopetro are included in our annual information form which may be accessed through the SEDAR website at www.sedar.com. The forward-looking information contained in this news release is made as of the date hereof and Alvopetro undertakes no obligation to

update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Unaudited financial information. This news release contains certain estimated financial results which are based on unaudited financial information as of December 31, 2020 and for the three months and year-ended December 31, 2020, including net debt, capital expenditures and operating netback. This unaudited financial information is subject to change following completion of Alvopetro's audited financial statements for the year ended December 31, 2020. Readers are cautioned that any such changes may be material.

Non-GAAP Measures. This news release contains financial terms that are not considered measures under International Financial Reporting Standards ("IFRS"), such as operating netback, net debt and net asset value. Operating netback is calculated as natural gas, oil and condensate sales (after sales taxes) less royalties, and production and transportation costs on a per unit (barrel of oil equivalent) basis. Net debt is computed as the carrying amount of the Company's credit facility, decreased by net working capital surplus or increased by net working capital deficit. Net debt is computed based on the net present value of the Company's proved plus probable reserves, discounted at 10%, decreased by the Company's net debt. The non-GAAP measures do not have standardized meanings under IFRS and therefore are unlikely to be comparable to similar measures presented by other issuers. While these measures may be common in the oil and gas industry, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. The non-GAAP measures referred to in this report should not be considered an alternative to, or more meaningful than measures prescribed by IFRS and they are not meant to enhance the Company's reported financial performance or position. For more information with respect to financial measures which have not been defined by GAAP, including reconciliations to the closest comparable GAAP measure, see the "Non-GAAP Measures" section of the Company's most recent MD&A which may be accessed through the SEDAR website at www.sedar.com.

Oil and Gas Metrics. This news release contains certain oil and gas metrics which do not have standardized meanings including finding and development ("F&D") costs, gross reserve additions and recycle ratio. F&D costs represent capital expenditures incurred per barrel of oil equivalent of reserves added during the year. F&D costs are calculated based on the sum of capital expenditures incurred in the period and the change in future development costs required to develop the reserves. F&D costs per boe is computed by dividing the F&D costs by the gross reserve additions. Gross reserve additions are calculated as the change in reserves from the beginning to the end of the period, excluding any production in the period. Recycle ratio is calculated by dividing the operating netback per boe (see Non-GAAP measures above) by the estimated F&D costs per boe. These metrics have been prepared by management and do not have standardized meanings or standardized methods of calculation and may not be comparable to similarly defined measures presented by other companies.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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