



TOPAZ ENERGY CORP. PUBLISHES INAUGURAL SUSTAINABILITY REPORT

October 1, 2021

Calgary, Alberta – Topaz Energy Corp. (TSX:TPZ) (“Topaz” or the “Company”) is pleased to announce the publication of its inaugural 2020 Sustainability Report which outlines how the Company has integrated environment, social & governance (“ESG”) performance considerations within the Company’s energy investment strategy. The report is available on the Company’s website at www.topazenergy.ca.

The Company’s 2020 Sustainability Report covers its first full calendar year of operations, during which: Topaz established its executive team and ESG and sustainability practices; expanded its board of directors; completed an initial public offering; listed its shares on the TSX; and demonstrated its acquisition strategy which is focused on high quality, growth assets and top tier operators. The report shows how Topaz invests and evaluates its partners, in order to generate solid risk-adjusted financial returns, and verifies Topaz as a high quality, low-emissions royalty and infrastructure energy investment. Topaz looks forward to expanding its ESG disclosure in the future as the Company continues to advance beyond its formative year.

Highlights of the report include:

Environment:

- Focus on lower emissions energy investment underpinned by:
 - gross overriding royalties - while Topaz is not exposed to future capital costs, associated emissions or abandonment obligations, partners and plays are thoughtfully selected on the basis of integrated economic and environmental sustainability; and
 - non-operated ownership interests in new, state of the art natural gas processing facilities and certain water management infrastructure that together produce very low emissions.
- For Topaz, our strategic partnerships with high-quality operators attentive to environmental stewardship and performance enhance our long-term value. Tourmaline, Topaz’s key partner exemplifies this by setting aggressive emissions reduction targets, investing in multiple environmental/economic-enhancing technologies, water-recycling and community involvement all of which is backstopped by top-quartile base economics.

Social:

- Senior executive team and staff each with 50 per cent women
- Established relationships with several organizations focused on (i) promoting healthier and more sustainable communities, (ii) supporting educational opportunities and (iii) fostering employee engagement in the community

Governance:

- Established a culture of accountability and alignment with executive compensation tied to comprehensive elements of financial and strategic performance alongside ESG integration to ensure strong shareholder and stakeholder alignment
- Robust corporate governance policies including a focus on independence and oversight of related party transactions
- High scoring on corporate governance self-assessment (based upon the Globe and Mail “Board Games” scorecard)
- Achieved a goal of at least 30% women independent directors in 2020

Transparency:

- Disclosure aligned with the Sustainability Accounting Standards Board (SASB) which recently completed its merger with IIRC to form the Value Reporting Foundation and the Task Force on Climate- Related Financial Disclosures (TCFD) and includes our ownership interest share of carbon emissions data related to our infrastructure assets.

Additional information

Additional information about Topaz, including the financial statements and management's discussion and analysis for the three and six months ended June 30, 2021 as well as the Company's 2020 Annual Information Form are available electronically under the Company's profile on SEDAR, www.sedar.com, and on Topaz's website, www.topazenergy.ca.

ABOUT THE COMPANY

Topaz is a unique royalty and energy infrastructure company focused on generating free cash flow growth and paying reliable and sustainable dividends to its shareholders, through its strategic relationship with one of Canada's largest natural gas producers, Tourmaline, an investment grade senior Canadian E&P company, and leveraging industry relationships to execute complementary acquisitions from other high-quality energy companies, while maintaining its commitment to environmental, social and governance best practices. For further information, please visit the Company's website www.topazenergy.ca.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") that relate to the Company's current expectations and views of future events. These forward-looking statements relate to future events or the Company's future performance. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "believes", "estimated", "intends", "plans", "forecast", "projection", "strategy", "objective" and "outlook") are not historical facts and may be forward-looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. These statements speak only as of the date of this news release. In particular and without limitation, this news release contains forward-looking statements pertaining to the following: Topaz's future growth outlook, strategic plans and acquisition strategy; the ability to generate solid risk-adjusted financial returns; the expansion of its ESG disclosure in the future; its focus on ESG goals including lower emissions energy investments, establishing relationships with organizations that promote social initiatives; establishing a culture of accountability and alignment with respect to governance initiatives; and the Company's business as described under the heading "About the Company" above.

Forward-looking information is based on a number of assumptions including those highlighted in this news release and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information.

Such risks and uncertainties include, but are not limited to, the failure to complete acquisitions on the terms or on the timing announced or at all and the failure to realize some or all of the anticipated benefits of acquisitions including estimated royalty production, royalty production revenue and free cash flow per share growth, and the factors discussed in the Company's recently filed Management's Discussion and Analysis (See "Forward-Looking Statements" therein), Annual Information Form (See "Risk Factors" and "Forward-Looking Statements" therein) and other reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com) or Topaz's website (www.topazenergy.ca).

Without limitation of the foregoing, future dividend payments, if any, and the level thereof is uncertain, as the Company's dividend policy and the funds available for the payment of dividends from time to time is dependent upon, among other things, free cash flow, financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company's control. Further, the ability of Topaz to pay dividends will be subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facility.

Topaz does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

NON-GAAP FINANCIAL MEASURES

In addition to using financial measures prescribed by International Financial Reporting Standards ("IFRS" or "GAAP"), references are made in this news release to "free cash flow", which is a measure that does not have any standardized meaning as prescribed by IFRS. Management uses this term for its own performance measures and to provide shareholders and potential investors with a measurement of the Company's efficiency and its ability to generate the cash necessary to fund dividends and a portion of its future growth expenditures or to repay debt. Accordingly, investors are cautioned that this non-GAAP financial measure may not be comparable to similarly defined measures presented by other entities and should not be considered in isolation nor as an alternative to net income (loss) from continuing operations or other financial information determined in accordance with GAAP as an indication of the Company's performance. References to "free cash flow" are to the amount of cash estimated to be available for dividends to shareholders in accordance with the Company's dividend policy and is defined as cash flow less capital expenditures, where "cash flow" is defined as cash from (used in) operations before changes in non-cash working capital.

GENERAL

See also "Forward-Looking Statements", and "Non-GAAP Financial Measures" in the most recently filed Management's Discussion and Analysis.

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