

Tenth Avenue Petroleum Corp.

FOR IMMEDIATE RELEASE

Changes to Non-Arms Length Agreements

September 19, 2020

Calgary, Alberta – On July 31, 2017, Tenth Avenue Petroleum Corp. (“TAPC”)(TSXV: TPC) entered into a Loan and Participation Agreement (“LPA”) with Smoky Oil & Gas Corp (“Smoky”) and 1454871 Alberta Ltd. (formerly Batoche Oil & Gas Exploration Ltd.) (“Batoche”). See press release dated August 1, 2017. On May 15, 2019, the parties amended the LPA. See the press release dated May 15, 2019. On September 18, 2020, the parties amended the LPA to reinstate the terms which were varied on May 15, 2019.

Subject to an agreed upon general and administrative expense payment, Smoky shall be entitled to all net cash flow from the Waskahigan Assets until the loan is repaid. While loans are outstanding, TAPC shall be restricted to charging general and administrative costs to a maximum of \$75,000 per year for administration of the Waskahigan Assets and charging general and administrative costs to a maximum of \$75,000 per year for administration of the Waskahigan Participation Assets (as defined below).

TAPC has agreed to farmout to Batoche the Waskahigan Assets (other than existing wells and applicable spacing units)(“**Waskahigan Participation Assets**”) on the terms and conditions set out in the Batoche Farmout Agreement. If Batoche defaults under the terms of the Batoche Farmout Agreement, and if TAPC is unable to farmout to a third party, then TAPC has agreed to farmout the Waskahigan Participation Assets to Smoky (if Smoky chooses to farmin) on terms and conditions equivalent to the farmout terms set out in Batoche Farmout Agreement. The Batoche Farmout Agreement contains a 3 well requirement to earn a 70% working interest in all Waskahigan Participation Asset mineral rights. The Batoche Farmout Agreement requires Batoche to be drill ready (Well #1) by June 30, 2021 (extended from June 30, 2019). Terms are: Batoche is to pay 100% of all costs to drill, complete and equip Well #1 to earn 70% in spacing unit associated with Well #1 subject to payout. The working interest participants are required to pay their proportionate share of Well #2 and Well #3. If Batoche drills Well #2, Batoche will earn 70% in the spacing unit associated with Well #2. If Batoche drills Well #3, Batoche will earn 70% working interest in all Waskahigan Participation Assets and any other lands acquired by TAPC in Waskahigan area. Assuming Batoche earns 70% working interest in the Waskahigan Participation Assets, TAPC will have a 6% working interest and Smoky will have a 24% working interest in the 3 wells and future developments.

Pursuant to the LPA, as additional consideration, Smoky shall be entitled to receive: (a) 80% of net cash flow from the Waskahigan Assets (less agreed general and administrative expenses) until December 31, 2021 (subject to farmout rights); (b) 80% of net sale proceeds of Waskahigan Assets (subject to farmout rights); (c) right to compel TAPC to buy Smoky’s right to 80% of the net cash flow from the Waskahigan Assets (subject to farmout rights) for 2.5 times net cash flow; and (d) right to compel TAPC to buy Smoky’s right to 24% of the net cash flow from the Waskahigan Participation Assets (subject to farmout rights) for 2.5 times net cash flow from the Waskahigan Participation Assets. TAPC shall have the right to: (a) right to compel Smoky to sell its right to 80% of the net cash flow from the Waskahigan Assets (subject to farmout rights) for 2.5 times net cash flow; and (d) right to compel Smoky to sell its right to 24% of the net cash flow from the Waskahigan Participation Assets for 2.5 times net cash flow from the Waskahigan Participation Assets.

About Tenth Avenue Petroleum Corp

Tenth Avenue Petroleum Corp. is a junior oil and gas exploration and production company. For further information, please contact:

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