



NEWS RELEASE

EAST WEST PETROLEUM PROVIDES PROPERTY UPDATE

Vancouver, British Columbia: August 2nd 2022 - East West Petroleum Corp. (TSX-V: EW) (“East West” or the “Company”) is pleased to provide the following property update .

The Company had previously agreed to sell its interest in PEP 54877 and PMP 60291 which comprise the majority of its New Zealand assets. The agreement was terminated by the Company on August 1, 2020. The Company is currently assessing its go-forward plans, which includes the possible sale of its New Zealand concessions to other buyers and ongoing discussions on the Teremia North Field in Romania, and whether its focus should remain on the oil and gas sector. At this time, no decisions have been made but the Company continues to assess alternatives. An update on each property follows.

New Zealand

The Company has operations in the Taranaki Basin of New Zealand. All licenses were previously operated by the Company’s original partner, TAG Oil Ltd. (“TAG”), and all wells are targeted shallow Miocene targets in the Urenui and Mt. Messenger formations which have been shown to be productive for oil and gas throughout the Basin, including the Cheal field. The Company holds a 30% working interest in the Petroleum Exploration Permit (“PEP”) 54877 and the Petroleum Mining Permit PMP 60291 (“Cheal East”) and TAG held the remaining 70%. On September 25, 2019 TAG completed the sale of substantially all of its Taranaki Basin assets and operations which included their interest in PEP 54877 and PMP 60291 to Tamarind Resources Pte. Ltd. (“Tamarind”) resulting in Tamarind becoming the operator. In light of TAG’s decision to sell the majority of its interest in the Taranaki Basin assets the Company assessed its options with respect to its 30% interest in Cheal East and, on June 24, 2019, the Company signed a heads of agreement pursuant to which the Company had agreed to sell its 30% interest in PEP 54877 and PMP 60291. On August 1, 2020, the Company terminated the Definitive Agreement.

When TAG’s interests in the Taranaki Basin were sold to Tamarind in September 2019 and as part of the transaction Tamarind acquired Cheal Petroleum Ltd. (“Cheal”), the owner of 70% of PEP 54877 and PMP 60291, and operator. There have been ongoing discussions regarding the operator, including whether there has been a subsequent change of control, triggering rights of first refusal, and the ability for Cheal to continue as operator. The Company is seeking clarification on this issue and legal action may be required.

During fiscal 2022 Cheal conducted a detailed prospectivity review of PEP 54877 and advised the Company that the forecasted economic prospects of PEP 54877 does not meet Cheal’s internal risk criteria. Although no final decision has been made the operator is currently recommending that the permit be relinquished in December 2022.

PMP 60291 is the location of the Cheal E-Site and the Cheal E-site production facility as well as the Cheal-E wells. A waterflood program is ongoing however the efficacy of the program and its impact on production is an ongoing item of debate. The Company’s technical advisors have stated that there is no unequivocal evidence that water injection through the Cheal-E7 well has had a significant impact on production from PNP 60291 but that there is evidence to the contrary. The Company’s advisors attribute the production performance to other factors than injection through the Cheal-E7 well. The determination whether the waterflood utilizing Cheal-E7 as the injector well is creating the positive response in production impacts the Company’s obligation to fund its 30% share of the costs of acquiring the Cheal-E7 well, being 30% of NZ \$3,200,000. No funding has been advanced, and no funding will be advanced until the issue is resolved.

The Company produces its oil and gas production from five wells on the Cheal-E site. On October 24, 2020 the Cheal-E1 pump stopped functioning due to downhole blockage and, as a result, production ceased from the Cheal-E1 well. As the major producing well, the stoppage of the Cheal-E1 well had a major impact on the Company's share of production. In mid-January the Operator managed to pull the rods out of the Cheal-E1 well with a crane, cleaned the well and replaced the pump. However, only limited production resumed in mid-January 2021 without annular flow. In addition, in early March 2021 the Cheal-E2 well stopped working and several attempts to restart the well over the following three weeks were unsuccessful. Workovers of the Cheal-E1 well and the Cheal-E2 well were not completed until early August 2021 including the clearing of downhole wax and sand issues. The workovers were successful in re-establishing production in both wells. A trial of a two-stage downhole pump in Cheal-E1 proved to be too vulnerable to sand production issues and was replaced with a single stage downhole pump as previously employed. This is working reliably and an increase in flow was successfully implemented in Q3/2022.

As a result of the continued Cheal-E1 stoppage and the addition of the stoppage of the Cheal-E2 well, oil and gas production was significantly less from October 2020 to early August 2021. Only three wells, the Cheal-E5, E6 and E8 were fully producing for Q1/2022. During Q2/2022 all five wells the Cheal-E1, E2, E5, E6 and E8 were producing.

During Q4/2022 the Company produced 18.3 Mbbl oil and 11.6 Mmcf gas, compared to 19.5 Mbbl oil and 15.1 Mmcf gas during Q3/2022. The decreases were a result of both the Cheal E-5 and Cheal E-6 wells going offline for the last month of Q3. The Cheal E-5 went down due to a downhole related issue which appears to be parted rods. Workover planning is currently underway with a full workover being scheduled for the end of Q2/2023. The Cheal E-6 went offline due to downhole related issues which appears to be a wax plug. The operator carried out rod work and installed a new pump while the well was offline. The Cheal E-6 started back on-line near the end of March 2022.

In March 2021, the Company retained a technical advisory team in New Zealand to assist in oversight over operations at the Cheal site. The Company retained 3TCF Limited ("3TCF"), a private New Zealand corporation, to provide oversight and guidance on operating matters. Since the start of the Covid-19 pandemic travel has been difficult for both the Company and the permit operator. As a result, the Company now has a New Zealand based technical team which can provide oversight over ongoing operations.

Reserves Data

An independent reserves evaluation relating to the resource base of the Company in the Cheal Area of New Zealand, effective March 31, 2022, has been prepared by Sproule International Limited. The report follows all industry standard procedures and is in conformity with the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 ("NI 51-101"). Readers are encouraged to review the Form 51-101 F1 - *Statement of Reserve Data and Other Oil and Gas Information*, which is a summary of the report, filed on the SEDAR website at www.sedar.com.

Reconciliation of Company Gross ⁽¹⁾ Reserves by Principal Product Type as of March 31, 2022

	Light and Medium Crude Oil			Solution Gas			Barrels of Oil Equivalent		
	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (MBOE)	Gross Probable (MBOE)	Gross Proved Plus Probable (MBOE)
March 31, 2021	60	18	78	37	11	48	66	20	86
Technical Revisions ⁽²⁾	(30)	(16)	(47)	(14)	(10)	(24)	(33)	(18)	(51)
Economic Factors	15	4	19	9	2	11	17	4	21
Production	(20)	0	(20)	(17)	0	(17)	(22)	0	(22)
March 31, 2022	25	6	31	15	3	18	28	6	34

(1) The Gross Reserves presented here are the Company's working interest reserves before deductions of royalties.

(2) Technical Revisions also include changes in reserves associated with changes in operating costs, capital costs and commodity price offsets.

(3) Totals in the above table may not add due to rounding.

Gross proved plus probable ("2P") reserves estimates within the Taranaki Basin at March 31, 2022 were 34 MBOE compared to the March 31, 2021 2P reserves of 86 MBOE. Taking into account the 22 MBOE the Company produced over the fiscal year and the 51 MBOE decrease for technical revisions plus the 21 MBOE increase for economic factors, the Company's reserves overall decreased by 39.5%.

Romania

During fiscal 2010 the Company was informed by the government of Romania that it had been awarded four exploration blocks located in the Pannonian Basin, in western Romania. In May 2011 the Company signed petroleum concession agreements with the National Agency for Minerals and Hydrocarbons (“NAMR”) the government agency in Romania which regulates the oil and gas industry.

The four concessions have specific mandatory work programs (the “Romania Work Programs”), which were estimated at US \$63,000,000 for all four programs. Production from the concessions is also subject to royalties of between 3.5% to 13.5% based on quarterly gross production payable to the government.

On May 20, 2011 the Company and Naftna Industrija Srbije j.s.c. Novi Sad (“NIS”), an arm’s length corporation, signed a memorandum of understanding to jointly explore the four exploration blocks in Romania. On October 27, 2011 the Company and NIS signed a farm-out agreement (the “Farm-out”). Under the terms of the Farm-out, NIS has paid the Company a total of \$525,000 for the assignment of an 85% participation interest and operatorship of the Romania Work Programs to NIS. NIS is the operator of the four concessions and has the obligation to fund the Romania Work Programs, including environmental work, 2D and 3D seismic acquisition and processing, and the drilling of 12 wells. The Company retains a 15% carried interest in each block through the obligatory Phase I work program and an optional one-year Phase II work program which carries additional commitments. If a commercial discovery is made, the Company will be responsible for its 15% interest in development of the commercial discovery.

As operator, NIS has reported resumption of exploration and production activities in the EX-2, EX-3, EX-7 and EX-8 exploration blocks in Romania. EWP has a 15% carried interest during the commitment work programs in all four blocks which includes for the drilling of a total of twelve exploration wells (three per block). It should be noted that all activities are dependent on securing the necessary government and local approvals.

Blocks EX-2 and EX-3

Interpretation of seismic data has continued although no commercially viable exploration prospects have been identified to date. NIS has proposed to request an extension of the exploration periods beyond the contractual maximum of ten years while the prospectivity of the blocks is under review. No commitment wells have been drilled to date in either block.

Block EX-7

Two phases of testing have been performed on exploration well BVS-1000. Despite fracture stimulation in the second testing phase, oil production from the well has rapidly declined to currently around 30 bopd. NIS consider the well has invalidated the pre-drill subsurface geological model and re-interpretation of the prospect is underway prior to a decision to either suspend or abandon the well. Deviated appraisal well, Teremia-1001, drilled on the Teremia North Field, has been completed as a production well after a period of experimental production testing.

All work program commitments in the block have been met.

Block EX-8

Testing of exploration well Pesac-1000 has been completed although with negative results. Deviated appraisal well Teremia-1002, drilled on the Teremia North Field, has been completed as a production well after a period of experimental production testing. Exploration well, Teremia-1201, was drilled to test a possible extension to the Teremia North Field but failed to encounter hydrocarbons. It was subsequently sidetracked into the Teremia North Field in 4Q/2021 and has now been completed as a production well and renamed Teremia-1004.

There have been several meetings of both the technical and operating committees to discuss work program results and determine whether the Teremia North field is a commercial discovery. At the operating committee meeting held February 8, 2021 NIS voted that there was a commercial discovery at Teremia North whereas the Company voted that there was not a commercial discovery. The field economics were, in the Company’s assessment, marginal and did

not merit the significant capital contributions required. NIS, being a vertically integrated oil and gas producer, could support the development costs given the internal economies available.

Without a joint declaration of a commercial discovery it is the Company's position that commercial development of the field cannot proceed, NIS did not share this opinion. Rather than litigating this issue the discussions continued with NIS in an attempt to find a way forward. Given the consequences of a commercial discovery decision and significant funding obligations the Company and NIS continued negotiations on all available options including a monetization event. Negotiations were progressing well and the parties were moving towards final documentation with essential terms of a monetization event agreed, being some limited cash and a royalty interest.

The outbreak of war between Ukraine and Russian brought all attempts to implement the agreed terms to a halt, with the issue being that NIS is owned, in part, by a Russian entity which is subject to sanctions. The Company is considering what steps could be implemented to allow the transaction to proceed.

About East West Petroleum Corp.

East West Petroleum Corp. (www.eastwestpetroleum.ca) is a TSX Venture Exchange listed company established in 2010 to invest in international oil & gas opportunities. The Company has its primary focus on two key areas: New Zealand, where it has established production and cash flow and Romania where it is carried to production on an exploration program. In Romania the Company has exploration rights in four exploration concessions covering 1,000,000 acres in the prolific Pannonian Basin of western Romania with Naftna Industrija Srbije ("NIS"). The Company does not own the acres but has exploration rights.

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