

Pulse Oil Corp. Announces Rights Offering to raise \$4,156,000 and Provides Operations Update

December 7, 2023

Calgary, Alberta, December 7, 2023 – Pulse Oil Corp. (the “Company” or “**Pulse**”) (TSXV: PUL) announced that it is offering rights (the “**Rights Offering**”) to holders of its common shares (“**Common Shares**”) of record at the close of business on December 15, 2023 (the “**Record Date**”). Pursuant to the Rights Offering, each holder of Common Shares (a “**Shareholder**”) will receive one-fifth of a transferable right for each Common Share held of Pulse as of the Record Date. Each whole right (a “**Right**”) will entitle the holder thereof to subscribe for one (1) Common Share at a price of \$0.04 per Common Share (the “**Basic Subscription Privilege**”) until 2:00 p.m. (Pacific time) (the “**Expiry Time**”) on January 12, 2024. If the Rights are fully exercised, the Rights Offering will raise gross proceeds of \$4,156,000.

The Rights will be offered to Shareholders resident in each province and territory of Canada (the “**Eligible Jurisdictions**”) and Shareholders who have satisfied the requirements of Pulse for those resident outside of the Eligible Jurisdictions. Accordingly, and subject to the detailed provisions of the right offering circular dated December 7, 2023 (the “**Circular**”), Rights certificates (“**Rights Certificates**”) will not be mailed to Shareholders resident outside of the Eligible Jurisdictions, unless such Shareholders are able to establish to the satisfaction of Pulse, on or before December 29, 2023, that they are eligible to participate in the Rights Offering. Shareholders who fully exercise their Rights will be entitled to subscribe pro rata for Common Shares not otherwise subscribed for by other holders of Rights prior to the expiry time, if any, pursuant to the Basic Subscription Privilege.

Neither the Rights being offered or the Common Shares issuable upon exercise of the Rights have been or will be registered under the *United States Securities Act of 1933*, as amended, and may not be exercised, offered or sold, as applicable, in the United States absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy the securities of Pulse. There shall be no offer or sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification of such securities under the laws of any such jurisdiction.

Standby Commitment Agreement

In connection with the Rights Offering, Pulse has entered into standby commitment agreements (the "**Standby Commitment Agreements**") with CDN Trustee Limited TR CDN Trust and Andrew Ritchie TR AJ Trust No 2 (the "**Standby Purchasers**"), insiders of Pulse currently owning 13.28% and 15.40%, respectively, of Pulse's Common Shares. The Standby Purchasers have agreed, subject to certain terms and conditions, to exercise their Basic Subscription Privilege in respect of any Rights it holds, and, in addition thereto, acquire any additional Common Shares available as a result of any unexercised Rights under the Rights Offering (the "**Standby Commitments**"), such that Pulse will, subject to the terms of the Standby Commitment Agreement, be guaranteed to issue 98,000,000 Common Shares in connection with the Rights Offering for aggregate gross proceeds of \$3,920,000. The Standby Commitment is being guaranteed by CDN Trustee Limited TR CDN Trust in the amount of \$2,180,000 and Andrew Ritchie TR AJ Trust No 2 in the amount of \$1,740,000 and has been approved by the independent directors of the Company. As consideration for the Standby Commitment, the Company has agreed to issue non-transferable bonus warrants (the "**Standby Commitment Warrants**") to the Standby Purchasers (being 25% of the amount of the Standby Commitment exceeding the Basic Subscription Privilege). Each Standby Commitment Warrant will be exercisable for sixty (60) months from the date of issuance into one Common Share at a price of \$0.05 per share. CDN Trustee Limited TR CDN Trust and Andrew Ritchie TR AJ Trust No 2 have undertaken not to exercise their Standby Commitment Warrants if to do so would result in its beneficial shareholdings of Pulse exceeding 20% unless Pulse disinterested shareholder approval to the same has been obtained.

Each of the Standby Purchasers and Standby Guarantors is a "related party" of Pulse under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") because CDN Trustee Limited TR CDN Trust and Andrew Ritchie TR AJ Trust No 2 each exercise control and direction over more than 10% of the issued and outstanding Common Shares. The Rights Offering is not subject to the related party rules under MI 61-101 based on a prescribed exception related to rights offerings. With respect to the issuance of the Standby Commitment Warrants to the Standby Purchasers, Pulse is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101 pursuant to sections 5.5(b) and 5.7(1)(a) thereof on the basis that Common Shares are listed only on the TSX Venture Exchange and, at the time the Standby Commitment Agreements were entered into, neither the fair market value of the Standby Commitment Warrants, nor the fair market value of the consideration for Standby Commitment Warrants exceeded 25% of Pulse's market capitalization, respectively.

Early Warning Disclosure

CDN Trustee Limited TR CDN Trust and Andrew Ritchie TR AJ Trust No 2 are providing the following additional information pursuant to the early warning requirements of applicable Canadian securities laws:

CDN Trustee Limited TR CDN Trust:

Prior to the entering into of the Standby Commitment Agreements, CDN Trustee Limited TR CDN Trust beneficially owned an aggregate of 69,000,000 Common Shares, representing approximately 13.28% of the issued and outstanding Common Shares. Patrick Harrison, a director of Pulse, is a director of the corporate trustee of CDN Trustee Limited TR CDN Trust. Assuming none of the holders of Rights (other than the Standby Purchasers) take up their Basic Subscription Privilege and the Standby Purchasers provide their respective Standby Commitment in full, CDN Trustee Limited TR CDN Trust would acquire an aggregate of 54,500,000 Common Shares, in connection with the Rights Offering and 10,175,000 Standby Commitment Warrants in connection with the Standby Commitment. Following closing of the Rights Offering, CDN Trustee Limited TR CDN Trust would beneficially own an aggregate of 123,500,000 Common Shares, which would represent approximately 19.9982% of the issued and outstanding Common Shares. In addition, if CDN Trustee Limited TR CDN Trust exercises its Standby Commitment Warrants and all other Common Share purchase rights, options and other rights to acquire Common Shares held by it, it would own 133,675,000 Common Shares or approximately 21.29%.

The Common Shares are being acquired for investment purposes. CDN Trustee Limited TR CDN Trust may from time to time acquire additional securities, dispose of some or all of the existing or additional securities, or may continue to hold the securities of Pulse.

Andrew Ritchie TR AJ Trust No 2:

Prior to the entering into of the Standby Commitment Agreements, Andrew Ritchie TR AJ Trust No 2 beneficially owned an aggregate of 80,000,000 Common Shares, representing approximately 15.40% of the issued and outstanding Common Shares. Assuming none of the holders of Rights (other than the Standby Purchasers) take up their Basic Subscription Privilege and the Standby Purchasers provide their Standby Commitment in full, Andrew Ritchie TR AJ Trust No 2 would acquire an aggregate of 43,500,000 Common Shares, in connection with the Rights Offering and 6,875,000 Standby Commitment Warrants in connection with the Standby Commitment. Following closing of the Rights Offering, Andrew Ritchie TR AJ Trust No 2 would beneficially own an aggregate of 123,500,000 Common Shares, which would represent approximately 19.9982% of the issued and outstanding Common Shares. In addition, if Andrew Ritchie TR AJ Trust No 2 exercises its Standby Commitment Warrants and all other Common Share purchase rights, options and other rights to acquire Common Shares held by it, it would own 130,375,000 Common Shares or approximately 20.88%.

The Common Shares are being acquired for investment purposes. Andrew Ritchie TR AJ Trust No 2 may from time to time acquire additional securities, dispose of some or all of the existing or additional securities, or may continue to hold the securities of Pulse.

Pulse understands that certain directors and officers of Pulse who own Common Shares may intend to exercise their rights to purchase Common Shares under the Rights Offering.

Operational Update:

The net proceeds from the Rights Offering will primarily be used on the first of two 100% owned Bigoray Nisku Pinnacle Reefs by funding growth opportunities within Pulse's Bigoray Enhanced Oil Recovery (Bigoray EOR) project that Pulse believes will result in significant production, cashflow and oil reserve growth for many years.

Pulse has recently completed an extensive technical analysis and update of its EOR program that consisted of retaining an experienced and independent reservoir engineer to update Pulse's EOR reservoir modelling on the Nisku D and E pinnacle reefs that was initially completed by Schlumberger International in 2018.

During this recent technical analysis, Pulse was excited to learn that within the Nisku D pool there is an additional opportunity to increase the efficiency of the EOR by accessing incremental oil and gas production. The updated reservoir modelling indicated that a part of the Nisku D reef was not swept efficiently by the water flood that was completed prior to Pulse acquiring the Bigoray project. Pulse intends to continue the solvent flood currently underway while also adding a water flooding project to be conducted over the next 12 to 18 months, and then adding a second solvent injection well after the water flood is complete to work in combination with Pulse's current solvent injection well in the D pool.

Reservoir Engineering has also concluded that there is potential for strong incremental production growth and stable production over the first five years of production and then declining over the next twenty years.

In addition, the EOR modeling update offered other opportunities for Pulse to enhance production growth and ultimate recovery of oil and gas within the Bigoray EOR project.

Specifically, the proceeds of this Offering will allow Pulse to do the following:

1. Workover and stimulate one Bigoray well located in the Nisku E pool in order to place the well on production.
2. Drill and complete one new vertical well within the Bigoray Nisku D pool to grow Pulse's oil and gas production immediately, while also adding an EOR production well in an ideal location within the Nisku D pool, expediting production growth from Pulse's existing EOR program.
3. Fund continued solvent injection into the Nisku D pool.

Pulse believes that the resultant cashflow from the above operations will allow Pulse to expand the EOR operational plan as follows:

1. Drill a new horizontal well near the newly water flooded section and completing the well with sliding sleeve technology that will allow for expedited production growth during the EOR program.
2. Drill a new vertical production well ideally located within the Nisku D pool, to maximize production rates and increase maximize ultimate oil recovery within the pool.
3. Convert a third well in the Nisku D pool to a solvent injection well in order to enhance solvent injection.

The Rights Offering is subject to regulatory approval, including the final approval of the TSX Venture Exchange (the “**TSXV**”).

Complete details of the Rights Offering are set out in the Circular and the rights offering notice (the “**Notice**”), which are filed under Pulse’s profile at www.sedarplus.ca. Registered Shareholders who wish to exercise their Rights must complete and forward the Rights Certificate, together with applicable funds, to Computershare Investor Services Inc., the depositary for the Rights Offering, on or before the Expiry Time of the Rights Offering. Shareholders who own their Common Shares through an intermediary, such as a bank, trust company, securities dealer or broker, will receive materials and instructions from their intermediary.

Pulse CEO, Garth Johnson commented, “The work our team has done has created a lot of excitement for Pulse’s future. We have a technically supported, well thought out operational plan to enhance near term production while also expediting our Bigoray EOR project. We will update all shareholders soon as specific operations get underway. We thank all our shareholders for their continued support and patience as we have worked through the initial challenges over the past year during the start-up of our solvent injection process. We are happy to have achieved consistent injection rates for the last couple of months and we have a plan to increase those injection rates soon.”

Pulse is a Canadian company incorporated under the *Business Corporations Act* (Alberta) that is primarily focused on a 100% Working Interest Enhanced Oil Project Located in West Central Alberta, Canada. The project includes two established Nisku pinnacle reef reservoirs that have been producing sweet light crude oil for over 40 years. The Company plans to institute a proven recovery methodology (NGL solvent injection) to further enhance the ultimate oil recovery from these two proven pools. With under 10 million barrels of oil recovered to date, and representing approximately 30% recovery factor from the pools, Pulse is moving forward to execute the EOR project and unlock significant value for shareholders. Pulse’s total reclamation liabilities are just \$2.96 million which, when compared to many peers in the industry in Western Canada, are very low.

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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Forward Looking Statements:

This news release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward-looking information. In particular, this news release contains forward-looking information regarding: the Rights Offering, including the expiry time of the Rights Offering, the potential use of proceeds, forecasted operations and the results of such operations. There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information. This forward-looking information reflects Pulse’s current beliefs and is based on information currently available to Pulse and on assumptions Pulse believes are reasonable. These assumptions include, but are not limited to: the underlying value of Pulse and its Common Shares; market acceptance of the Rights Offering; TSX Venture Exchange final approval of the Rights Offering; operational timing and results; and the market acceptance of Pulse’s business strategy. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Pulse to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; delay or failure to receive board or regulatory approvals; the actual results of future drilling and workover operations; production growth anticipated from drilling operations, EOR operational results, competition; changes in legislation, including environmental legislation, affecting Pulse; the timing and availability of external financing on acceptable terms; and loss of key individuals. A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in Pulse’s disclosure documents on the SEDAR+ website at www.sedarplus.ca. Although Pulse has attempted to identify important factors that could cause actual results to differ materially from those contained in

forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this news release is expressly qualified by this cautionary statement. The forward-looking information contained in this news release represents the expectations of Pulse as of the date of this news release and, accordingly, is subject to change after such date. However, Pulse expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.