



## Criterium Energy Announces Filing of Q3 2024 Results and Operational Update

- **Averaged 879 bbl/d in the third quarter, increasing to an average 946bbl/d<sup>4</sup> in October and reached production of 1,000 bbl/d<sup>4</sup> for the first time in mid-November**
- **Premium average realized price for the quarter in excess of US\$80/bbl vs WTI of US\$76**
- **Realized cash flow from operations of C\$1.5 million, swinging from negative cash flow in the first half of the year**

**Calgary, Alberta – November 28, 2024** – Criterium Energy Ltd. (“Criterium” or the “Company”) (TSXV: CEQ), an independent upstream energy development and production company focused on energizing growth for Southeast Asia, today announced the filing of its Q3 2024 financial and operating results for the three- and nine-month periods ended September 30, 2024, in addition to providing an operational update. The unaudited interim consolidated financial statements and notes, as well as Management's Discussion and Analysis (“**MD&A**”), are available on the Company's website (<https://criteriumenergy.com/reports-filings/>) and SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)). All amounts are shown in Canadian dollars unless otherwise noted.

*“We have seen production continue to grow steadily throughout the year as our workover program has generated meaningful additions, beyond our initial expectations,” said Matthew Klukas, President and CEO of Criterium Energy. “As a result of average realized prices at a premium to commodity benchmarks, and a clear focus on lower operating costs, we have generated improved financial performance, highlighted by increased operating netbacks. Our focus for the balance of the year will be on completing our first infill well, MGH-43, and our workover program, which will help support a growing, stable base of production and incremental cash flow heading into 2025. We also remain focused on progressing the development of the Southeast Mengoepeh gas field, which has continued at an unprecedented pace, highlighted by the recent technical approval received from the Government of Indonesia.”*

### Selected Q3 Operating and Financial Highlights

- **Increased production:** Realized average field production in the Tungkai PSC of 879 barrels per day (“**bbl/d**”) in Q3 2024, up from 821 bbl/d in Q2 2024 and nil in Q3 2023. The increase reflects the early 2024 acquisition of Mont D’Or Petroleum Limited (“**MOPL**”), and the impact of successful pump maintenance and additional workovers conducted in August and September.
- **Continued workover success:** Completed five workovers during the third quarter, which supported increased production, at a cost of approximately US\$25,000<sup>2</sup> allocated to operating expenses. Workovers have exceeded expectations, producing at levels nearly 75% above the projected well type curve<sup>1</sup>. All workovers completed during the first half of 2024 collectively reached pre-tax payout by the end of Q2 2024 and as of mid-November the program has paid back three times the original investment. The Company continues to demonstrate that it can bring incremental volumes on stream at less than US\$2,000 per flowing barrel.
- **SE MGH Approval Received:** Submitted technical justification for the development of Southeast Mengoepeh gas field (“**SE MGH**”) to SKK MIGAS, which was approved subsequent to quarter end and will be included in the Mengoepeh field development plan, eliminating the need for a standalone approval.



- **Successful drilling of MGH-43:** Drilled and completed MGH-43, Criterium's first infill well to a planned depth of 1,238m measured depth ("MD"). The well encountered multiple reservoirs and completion and production testing remains ongoing with results anticipated in early 2025.
- **Reduced Operating Costs:** Decreased total expenses quarter-over-quarter, with operating expenses (inclusive of G&A) ("Opex") declining to US\$34/bbl in Q3 2024 from US\$40/bbl in Q2 2024, an 18% reduction owing to reduced fuel expenses, cost management, and realized operational efficiencies. Opex is anticipated to fall below US\$30/bbl by year end<sup>2</sup>.
- **Narrowed Net Loss:** For the second consecutive quarter the company improved its net loss and has narrowed its net loss by 53% in that time. With continued production improvements and operating cost reductions the Company expects to move into a positive income position in Q4 of this year.
- **Increased operating netback:** Strengthened operating netbacks<sup>3</sup> per barrel which averaged US\$25/bbl in Q3, approximately 31% higher than the average in Q2 2024. Operating netbacks by year-end are expected to reach nearly US\$30/bbl<sup>1,2</sup> despite lower forecast Brent prices in the fourth quarter, underscoring the increasing resiliency of Criterium's portfolio.
- **Financial strength:** Exited the period with cash and cash equivalents totaling C\$6.2 million, and line of sight to positive free cash flow generation, positioning the Company with financial strength to execute its planned capital program across a variety of potential macro-economic environments or corporate events.

### Workover Program

Through the third quarter of 2024, the Company continued its program of low cost, high-return workovers in the oil-producing Mengoepeh ("MGH") field with three successfully completed in August and two in September, four of which are producing from the GH sand zone. The workovers completed in the middle quarters of the year have continued to perform above expectations, enabling Criterium to rapidly recycle capital given cash paybacks average less than 30 days. The positive impact of this program being reflected in Criterium's continued growth in production, revenue and financial flexibility. During October, production averaged 946 bbl/d<sup>4</sup>, while in mid-November production exceeded 1,000 bbl/d<sup>4</sup> for the first time. Into the fourth quarter of 2024, the Company is currently working on its latest four-well workover program, with the first expected to begin in early December. Once completed, the Company will have executed a total of 15 workovers on 11 wells, achieving the upper range of the previously disclosed guidance of 12-15 workovers in 2024.

### Drilling Update

During the third quarter, the Company initiated its 2024 infill drilling campaign on the Tungkal PSC, focused on untapped areas in the MGH field, targeting multiple pay zones within the Talang Akar Formation (the "TAF"). The fluvial deltaic reservoir within the TAF features on average 20 to 25 metres of net pay, with 10 to 20% porosity and 50 to 100 millidarcies of permeability, reservoir characteristics that are typically associated with higher productivity.

MGH-43, the first of two planned infill wells, spud on September 14<sup>th</sup> and reached its target of 1,238 metres MD on September 29, 2024. The well intersected multiple reservoir zones in the TAF with good to excellent oil shows.



Logging completed on MGH-43 identifies prospective producing intervals in the CT, CH, EL, EH, F, and GH intervals. These total an estimated 41m of prospective gross sand interval<sup>3,5</sup> that have now been perforated as of November 27, 2024. The Company also identified approximately 12.5m of Net Pay<sup>5</sup> potential gas bearing sands in the Gumai formation (~500-580m MD). The Gumai zone is present throughout the MGH field and has indications of hydrocarbons but remains untested. The Company is currently evaluating how this discovery could complement the SE MGH gas development. The Company has yet to test this upper zone.

Due to unstable hole conditions in MGH-43, the Company was unable to conduct pressure testing and resistivity calculations on the zones of interest and therefore was unable to determine estimated productivity rates prior to the well being put on production. In addition, seven-inch production casing was unable to be set below 1,098m MD, and as a result the Company was unable to fully test or produce the lower CL zones which had demonstrated good oil shows during drilling.

Due to the lack of pressure data and ongoing evaluation of MGH-43, the Company decided to defer drilling the 2<sup>nd</sup> planned infill well until such time as the production data has been collected from MGH-43. Completion and production testing of MGH-43 has been slower than anticipated due to the drilling issues identified above. Perforated zones have produced oil and water to date with no stabilized rate. Final results are expected to be announced in early 2025 once production has stabilized from all reservoir zones.

### ***Progress at Tungkal PSC***

In addition to oil-weighted developments at the MGH Field, Criterium completed a technical feasibility for the development plan for the Southeast Mengoepeh field in the Tungkal PSC and made a submission to government for the gas field to be included in the existing Mengoepeh Plan of Development. Subsequent to quarter end the submission was approved, which is expected to reduce government approvals required to bring gas on stream. Further gas development is expected to be an important component of the Company's 2025 strategic plan. In support of this strategy, Criterium successfully executed a Memorandum of Understanding related to gas offtake during Q2 2024 with PT Energasindo Heksa Karya ("**EHK**"), a company owned by Rukun Raharja and Tokyo Gas, whereby EHK will purchase discovered gas from Southeast Mengoepeh and the Tungkal PSC.

### **Bulu Transaction Update**

On September 5<sup>th</sup> 2024, Criterium received a second US\$500,000 non-refundable payment from the buyer of its wholly owned subsidiary which owns a 42.5% non-operated working interest in the Bulu Production Sharing Contract, as originally announced on [May 21, 2024](#). Inclusive of this US\$500,000 payment, to date Criterium has received US\$1,000,000 of the US\$7,750,000 total purchase price consideration for the transaction.

Criterium firmly believes closing the transaction represents the optimal approach to value creation for shareholders in the near-term. The buyer has demonstrated progress towards closing the transaction, which is contingent on them securing the necessary financing, and Criterium still anticipates closing to occur in Q4 2024.



## **Financial Runway**

Criterion intends to maintain its focus on cost reductions, netback enhancements and deleveraging while simultaneously taking a prudent approach to capital allocation decisions. As a growth-focused entity, the Company plans to ensure all investment is directed to value-creating development programs within its asset portfolio in order to maintain financial flexibility and support the generation of positive cash flow. This strategy has been supported by the reduced lender payment negotiated in July of 2024, which in aggregate is forecast to have a positive cash impact of US\$1,500,000 through the second half of 2024.

## **Outlook**

Criterion continues to conduct the fourth tranche of its workover program in the MGH field spanning four wells. With the next workover expected to commence in the coming weeks, the Company expects to complete a total of 15 workovers by the end of the year, which is at the high end of guidance due to the compelling economics achieved. On the strength of these activities, management further expects average daily production to consistently exceed 1,000 bbl/d<sup>1,2</sup> through the month of December.

Management currently expects to release its strategic plan and budget for 2025 in mid- to late-January. Key activities envisioned under the plan are expected to focus on the Tungal PSC and include: prioritization of SE MGH gas development, leveraging existing infrastructure and unused capacity to minimize costs; execution of additional in-fill drilling in the MGH field; and identification and execution of new workover targets to extend the success of the 2024 workover program.

## **Shares for Outstanding Payables**

Following the release of the Q3 Financial Statements the Company intends to issue 1,250,000 shares to Auctus Advisors LLP in exchange for the retirement of \$98,310 of outstanding accounts payable. Auctus has been a long standing partner for Criterion and management looks forward to continuing that relationship. As per TSX Policy 4.3, this share issuance does not result in the creation of any control or reportable person and is subject to final TSX approval.

## ***Stay Connected to Criterion***

Shareholders and other interested parties who would like to learn more about the Criterion opportunity are encouraged to visit the Company's [website](#) and review a recent [corporate presentation](#), and to follow the Company on X (formerly Twitter) at <https://x.com/CriterionEnergy> and on LinkedIn at <https://www.linkedin.com/company/criterion-energy/> for ongoing corporate updates and relevant international oil and gas industry information.



### **About Criterium Energy Ltd.**

Criterium Energy Ltd. (TSXV: CEQ) is Canadian-based upstream energy company focused on the consolidation and sustainable development of assets in Southeast Asia that can deliver scalable growth and cash flow generation. This region is expected to house a population approaching 800 million people within the next 25 years, driving world-leading economic growth and record energy demand. With international operating expertise and a local presence, Criterium intends to contribute responsible, safe and secure sources of energy to help meet this demand. The Company is committed to maximizing total shareholder return by executing across three strategic pillars that include (1) fostering a successful and sustainable reputation; (2) leveraging innovation and technology arbitrage; and (3) achieving operational excellence with an unwavering commitment to safety. For further information please visit our website ([www.criteriumenergy.com](http://www.criteriumenergy.com)) or contact:

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### **Notes**

<sup>1</sup>Management estimate based on previously disclosed 'Mont D'Or Venture Limited YE Evaluation' reserve and resource report, effective December 31, 2022. This report was conducted by an independent qualified reserves evaluator or auditor in accordance with the COGE Handbook.

<sup>2</sup> Management estimate based on past operating costs and forecasted reductions. Unit costs assume production profile as per production target which is based on Management Estimates of future workover and infill programs.

<sup>3</sup> Non-IFRS financial measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with calculations of similar measures or ratios for other entities. See "Advisories - Non-IFRS and Other Financial Measures" contained within this press release and in the Company's most recently filed MD&A, available on SEDAR+ at [sedarplus.ca](http://sedarplus.ca).

<sup>4</sup> Estimate based on field production reports.

<sup>5</sup>Management estimate, based on mud log data, well site geological observations, and wireline logging information

### **Abbreviations**

bbls	barrels of oil
bbls/d	barrels of oil per day
MGH	Mengoepoh
PLT	Pematang Lantih
TAF	Talang Akar Formation



### **Cautionary Note Regarding Forward-Looking Statements**

This press release contains certain forward-looking information and statements that are based on expectations, estimates, projections, and interpretations as at the date of this news release. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends", "seek", "aims" and similar expressions are intended to identify forward-looking information or statements.

Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of Criterium's businesses include, among other things: risks and assumptions associated with operations; risks inherent in Criterium's future operations; increases in maintenance, operating or financing costs; the availability and price of labour, equipment and materials; competitive factors, including competition from third parties in the areas in which Criterium intends to operate, pricing pressures and supply and demand in the oil and gas industry; fluctuations in currency and interest rates; inflation; risks of war, hostilities, civil insurrection, pandemics, instability and political and economic conditions in or affecting Indonesia or other countries in which Criterium intends to operate (including the ongoing Russian-Ukrainian conflict); severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to Criterium future business; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals and the maintenance of such approvals; general economic and business conditions and markets; and such other similar risks and uncertainties. The impact of any one assumption, risk, uncertainty or other factor on a forward-looking statement cannot be determined with certainty, as these are interdependent and the Company's future course of action depends on the assessment of all information available at the relevant time. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

With respect to forward-looking statements contained in this press release, Criterium has made assumptions regarding, among other things: future exchange and interest rates; supply of and demand for commodities; inflation; the availability of capital on satisfactory terms; the availability and price of labour and materials; the impact of increasing competition; conditions in general economic and financial markets; access to capital; the receipt and timing of regulatory and other required approvals; the ability of Criterium to implement its business strategies; the continuance of existing and proposed tax regimes; and effects of regulation by governmental agencies.

The forward-looking statements contained in this press release are made as of the date hereof and the parties do not undertake any obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

### **Non-IFRS and Other Financial Measures**

Throughout this press release and other materials disclosed by the Company, Criterium uses certain measures to analyze financial performance, financial position and cash flow. These non-IFRS and other specified financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-IFRS and other specified financial measures should not be considered alternatives to, or more meaningful than, financial measures that are determined in accordance with IFRS as indicators of Criterium's performance. Management believes that the presentation of these non-IFRS and other specified financial measures provides useful information to shareholders and investors in understanding and evaluating the Company's ongoing operating performance, and the measures provide increased transparency and the ability to better analyze Criterium's business performance against prior periods on a comparable basis.



**Operating Netback per bbl**

Operating netback per bbl equals petroleum sales less royalties and net opex calculated on a per bbl basis. Management considers operating netback per bbl an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.