



Suite 1410, 540 – 5 Avenue SW
Calgary, Alberta, T2P 0M2 Canada

**SABA ENERGY ENTERS INTO FARM-IN FOR OFFSHORE ASSETS
IN THE REPUBLIC OF THE PHILIPPINES**

NOT FOR DISTRIBUTION IN THE UNITED STATES OR OVER U.S. NEWSWIRES

Calgary, Alberta, January 27, 2026 – Saba Energy Ltd. (“**Saba**” or the “**Company**”) (TSXV: **SABA**) is pleased to announce that it has entered into a Heads of Agreement (the “**HOA**”) dated January 16, 2026, with Nido Petroleum Philippines Pty Ltd. (“**Nido**”) a non-arm’s length party, with the purpose of Saba to Farm-in to two offshore Philippines Petroleum Service Contracts. Nido is owned 100% by Chaudhary Family Trust which is the controlling shareholder of Saba Energy Ltd. The contract areas are known as: (1) Philippine Petroleum Service Contract No. 54 (**SC54**); and (2) Cadlao Development and Production Petroleum Service Contract (“**Cadlao DPPSC**”).

Petroleum Service Contract No. 54 Farm-in Key Terms

- 550 km² Service Contract Area
- Water Depths 50 – 110 meters
- Saba will Farm-in for a 60% participating interest and will pay its proportionate share of well and completion costs
- Other partners - Nido 27.5% and TGI World 12.5% interest
- Saba will be the operator of SC54
- 3 discovery wells drilled - Nido 1-X1 discovery in 1979 and tested at 1,500 barrels of oil per day (“**bopd**”), Yakal-1 discovery in 2009 and tested at 3,000 bopd Initial Production. Both 1X1 and Yakal-1 require completion
- Tindalo-1 discovery in 2009 and had initial production of 19,000 bopd. The well produced 270,000 barrels of oil before it was shut in due to water encroachment

Cadlao DPPSC Contract Farm-in Key Terms

- 914 km² Service Contract Area
- Water Depth 93 meters
- Saba will Farm-in for a 52.727% participating interest and will pay its proportionate share of well and completion costs
- Other partners – Philippine National Oil Company 20% and 5 minority partners with 27.273% interest
- Saba will be the operator of Cadlao
- Amco discovery wells drilled in 1979 with production from 1982-1992. Total oil recovery of 11.1 approximately Millions of Barrels Oil Equivalent (“**MMBOE**”). Remaining internal estimates of additional recovery is approximately 6.8 MMBOE.

- *BOEs [or McfGEs or other applicable units of equivalency] may be misleading particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl [or “A McfGE conversion ratio of 1 bbl: 6 Mcf”] is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

Terms and Conditions

The Farm-in is subject to:

- standard due diligence procedures, as well as customary representations, warranties, and closing conditions;
- award/grant of approval by the Department of Energy, Philippines of the Cadlao DPPSC to the Saba and Nido;
- Saba raising USD \$7 Million by April 15, 2026;
- Signing of a definitive Farmout agreement by the parties; and
- approval of the TSX Venture Exchange (the “**TSXV**”), if so required.

The Company does not expect anticipate an RTO or Fundamental Acquisition with the Financing and the Acquisition.

Financing

The Company plans to raise USD \$7.5 Million via a Convertible Debenture (“**Debenture**”) private placement, subject to TSXV approval. The Debenture will be for 3 year term with 12 % interest per annum, payable quarterly. Conversion price will be USD \$.35 subject to acceleration if the Company shares trade above USD \$.65 per share for 10 consecutive business days.

About Saba Energy Ltd.

The Company is a publicly traded entity listed on the TSXV under the symbol “SABA” with oil and assets in Northeast British Columbia and heavy oil assets in Alberta.

For Further Information

Saba Energy Ltd.

Mohammad Fazil

President, Chief Executive Officer and Director

Email: mfazil@sabaenergy.ca

Phone Number: +1 (403) 613-7310

Cautionary Note Regarding Forward-Looking Statements

This press release contains statements that constitute “forward-looking statements”. Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements, or developments to differ materially from the anticipated results, performance or achievements expressed or implied by

such forward-looking statements.

Although the Company believes, in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. When used in this press release, the words “estimate”, “project”, “belief”, “anticipate”, “intend”, “expect”, “plan”, “predict”, “may” or “should” and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release include: information relating to the Agreement; and the exploration and development of the company’s assets. Such statements and information reflect the current view of the Company. By their nature, forward- looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements.

The forward-looking statements contained in this news release represent the expectations of the Company as of the date of this news release and, accordingly, are subject to change after such date. Readers should not place undue importance on forward-looking statements and should not rely upon this information as of any other date. The Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change.

THE TSXV HAS IN NO WAY PASSED UPON THE MERITS OF THE ACQUISITION AND HAS NEITHER APPROVED NOR DISAPPROVED THE CONTENTS OF THIS PRESS RELEASE.

NEITHER THE TSXV NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSXV) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS PRESS RELEASE.