



### **Alvopetro Announces Approval of Normal Course Issuer Bid and Automatic Share Purchase Plan**

Calgary, Alberta, August 12, 2024. Alvopetro Energy Ltd. (TSX-V: ALV; OTCQX: ALVOF) (“Alvopetro” or the “Company”) is pleased to announce the TSX Venture Exchange (“TSXV”) has now approved the Company’s proposed normal course issuer bid (the “NCIB”) and an automatic share purchase plan (“ASPP”).

Pursuant to the NCIB, Alvopetro is authorized to repurchase up to 2,953,044 common shares, representing 8.1% of the common shares outstanding as of August 12, 2024 and 10% of Alvopetro’s “public float”, over the period commencing on August 13, 2024 and ending on the earlier of: August 12, 2025 or such earlier date as the NCIB is completed or is terminated at the Company’s election. Purchases under the NCIB may be made through open market transactions on the TSXV, the OTCQX and any alternate trading systems in Canada on which the common shares are traded, based on the prevailing market price, at such times and in such quantities as the Company may determine, subject to applicable regulatory restrictions. A maximum of 5% of Alvopetro’s common shares outstanding may be purchased on the OTCQX during the twelve-month term of the NCIB. Any common shares purchased under the NCIB will be cancelled. During the Company’s previous normal course issuer bid, which ran from January 6, 2023 until January 5, 2024 (the “Prior NCIB”), the Company purchased 4,600 of its common shares. The weighted average price paid per common share in the Prior NCIB was C\$6.76.

Alvopetro has appointed Research Capital Corporation as our designated broker to conduct the NCIB purchases. In connection with the NCIB, Alvopetro has entered into the ASPP with our designated broker. The TSXV has approved the ASPP. The ASPP allows our designated broker to purchase common shares under the NCIB. The ASPP allows for the purchase of common shares under the NCIB at times when the Company may not ordinarily be permitted to purchase common shares due to regulatory restrictions and customary self-imposed blackout periods. Any purchases under the ASPP are determined by the broker at its sole discretion based on purchasing parameters set out by the Company in accordance with rules of the TSXV, applicable securities laws and the terms of the ASPP. The ASPP will terminate on the earlier of the date on which: (i) the NCIB expires; (ii) the maximum number of common shares have been purchased under the ASPP; and (iii) the Company terminates the ASPP in accordance with its terms.

Outside of the ASPP and outside of pre-determined blackout periods, common shares may continue to be purchased under the NCIB based on management’s discretion, in compliance with the rules of the TSXV and applicable securities laws. All purchases made under the ASPP will be included in the number of common shares available for purchase under the NCIB.

Alvopetro has an established strategy to balance reinvestment in our business with stakeholder returns. In combination with our quarterly dividends, the NCIB provides us with further flexibility with respect to stakeholder returns. Where Alvopetro has excess cash and working capital on hand, the NCIB provides Alvopetro with discretion to repurchase our common shares for cancellation at times where our board of directors and senior management believe the market price of the common shares may not fully reflect the underlying value of the common shares and Alvopetro’s business and future prospects. In such circumstances, the repurchase of common shares under the NCIB should increase the underlying value of the common shares to the remaining shareholders. In addition, purchases under the NCIB may increase liquidity to shareholders wishing to sell their common shares. As announced on August 7, 2024, where Alvopetro’s funds flow from operations<sup>(1)</sup> to be allocated to stakeholders exceeds our current base dividend (\$0.09 per common share), Alvopetro’s intention is to allocate such surplus funds

to common share repurchases. An initial budget of \$0.5 million has been allocated based on results for the six months ended June 30, 2024 and Alvopetro expects to augment this in future quarters based on results.

Alvopetro retains discretion whether to make purchases under the NCIB, and to determine the timing, amount and acceptable price of any such purchases, subject at all times to applicable regulatory requirements.

(1) See “Non-GAAP and Other Financial Measures” section within this news release.

## Social Media

Follow Alvopetro on our social media channels at the following links:

Twitter - <https://twitter.com/AlvopetroEnergy>

Instagram - <https://www.instagram.com/alvopetro/>

LinkedIn - <https://www.linkedin.com/company/alvopetro-energy-ltd>

YouTube - [https://www.youtube.com/channel/UCgDn\\_igrQgdIj-maR6fWB0w](https://www.youtube.com/channel/UCgDn_igrQgdIj-maR6fWB0w)

**Alvopetro Energy Ltd.** *'s vision is to become a leading independent upstream and midstream operator in Brazil. Our strategy is to unlock the on-shore natural gas potential in the state of Bahia in Brazil, building off the development of our Caburé and Murucututu natural gas assets and our strategic midstream infrastructure.*

**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 news release.**

**All amounts contained in this new release are in United States dollars, unless otherwise stated and all tabular amounts are in thousands of United States dollars, except as otherwise noted.**

### Abbreviations:

C\$ = Canadian dollar

**Non-GAAP and Other Financial Measures.** *This news release contains a reference to funds flow from operations which is a non-GAAP capital management measure as such term is defined in National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure. It is not a recognized measure under GAAP and does not have a standardized meaning prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. It should not be considered an alternative to, or more meaningful than measures prescribed by IFRS and is not meant to enhance the Company's reported financial performance or position. Funds flow from operations is a non-GAAP capital management measure that includes all cash generated from operating activities and is calculated before changes in non-cash working capital. The most comparable GAAP measure to funds flow from operations is cash flows from operating activities. Management considers funds flow from operations important as it helps evaluate financial performance and demonstrates the Company's ability to generate sufficient cash to fund future growth opportunities. Funds flow from operations should not be considered an alternative to, or more meaningful than, cash flows from operating activities. For more information including a reconciliation to the closest comparable GAAP measure, see the “Non-GAAP Measures and Other Financial Measures” section of the Company's MD&A which may be accessed through the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca).*

**Forward-Looking Statements and Cautionary Language.** *This news release contains "forward-looking information" within the meaning of applicable securities laws. The use of any of the words "will", "expect", "intend" and other similar words or expressions are intended to identify forward-looking information. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the expectations discussed in the forward-looking statements. These forward-looking statements reflect current assumptions and expectations regarding future events. Accordingly, when relying on forward-looking statements to make decisions, Alvopetro cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties. More particularly and without limitation, this news release contains forward-looking information concerning the NCIB, the duration of the NCIB, the number of common shares which may be purchased under the NCIB, the timing, amount and price of common shares under the NCIB, anticipated advantages to shareholder of the NCIB, the anticipated budget for the NCIB, the Company's dividend policy and plans for dividends in the future, future results of operations and related matters. Forward-looking statements are necessarily based upon assumptions and judgments with respect to the future including, but*

*not limited to, expectations and assumptions concerning the timing of regulatory licenses and approvals, equipment availability, the success of future drilling, completion, testing, recompletion and development activities and the timing of such activities, the performance of producing wells and reservoirs, well development and operating performance, expectations regarding Alvo Petro's working interest and the outcome of any redeterminations, environmental regulation, including regulation relating to hydraulic fracturing and stimulation, the ability to monetize hydrocarbons discovered, the outlook for commodity markets and ability to access capital markets, foreign exchange rates, general economic and business conditions, forecasted demand for oil and natural gas, the impact of global pandemics, weather and access to drilling locations, the availability and cost of labour and services, the regulatory and legal environment and other risks associated with oil and gas operations. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. In addition, the declaration, timing, amount and payment of future dividends remain at the discretion of the board of directors and may vary depending on numerous factors, including, without limitation, the Company's operational performance, available financial resources and financial requirements, capital requirements and growth plans. There can be no assurance that dividends will be paid at the intended rate or at any rate in the future. Similarly, the decision by the Company to repurchase common shares pursuant to the NCIB and the amount and timing of such repurchases is uncertain and there can be no assurance that the Company will repurchase any common shares in the future. Although Alvo Petro believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Alvo Petro can give no assurance that it will prove to be correct. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on factors that could affect the operations or financial results of Alvo Petro are included in our annual information form which may be accessed on Alvo Petro's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). The forward-looking information contained in this news release is made as of the date hereof and Alvo Petro undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

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