NEW STRATUS ENERGY ANNOUNCES AGREEMENT TO ACQUIRE PRODUCTION & SIGNIFICANT DEVELOPMENT OPPORTUNITY IN MEXICO

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Calgary, Alberta, May 14, 2024 – New Stratus Energy Inc. (TSX.V - NSE) ("New Stratus", "NSE" or the "Corporation") is pleased to announce it has entered into definitive agreements (the "Definitive Agreements") with an arm's-length vendor (the "Vendor") for the acquisition of an initial 49% equity interest in Operaciones Petroleras Soledad S. de R.L. de C.V. ("OPS"), a private Mexican oil & gas company, with the exclusive right for NSE to negotiate the purchase up to an additional 41% of the equity interest in OPS, as described in further detail below (the "Acquisition"). OPS is the third-party contractor and operator of a hydrocarbons production contract awarded by Pemex Exploracion y Produccion, S.A. de C.V. ("PEP"), a subsidiary of Petroleos Mexicanos the Mexican national oil company, on the Soledad block ("Soledad Block") located in the State of Veracruz in eastern Mexico (the "O&G Contract").

Soledad Block Acquisition Highlights

- *Soledad Block*: 124 km^2 onshore eastern Mexico
- *Term*: initial term ending in July of 2039; will apply for a ten year extension
- *Purchase Price*: US$2 million for the initial 49% tranche
- *Effective Date*: Effective May 1, 2024, NSE is entitled to the economic interests, including production and cash flows therefrom, of being a 49% equity interest holder in OPS
- *Commitment*: NSE has agreed to fund capital expenditure requirements under the O&G Contract; maximum capital exposure of NSE under the facility at any point in time will be approximately US$12.5 million
- *Project Reserves*(1): Soledad Block proved reserves are estimated at 43.3 million barrels of oil equivalent (mmboe)
- *Production*(2): Soledad Block gross production is approximately 1,430 barrels of oil equivalent per day (boe/d)
- *Second Tranche ROFR*: NSE will have a ROFR to negotiate the second tranche of the Acquisition

Notes:

(1) See Oil and Gas Advisory, below.
(2) See Oil and Gas Advisory, below.

Acquisition

The Acquisition has been structured into two tranches. The first tranche involves the purchase by NSE of an initial 49% equity interest in OPS. As consideration for the first tranche of the Acquisition, NSE will (i) pay the vendor a fixed amount of US$2 million at closing; (ii) fund the capital commitments and, in certain cases, operational costs of OPS for the next two years of the O&G Contract for an amount of US$15 million in year one and US$30 million in year two (the "Commitment"); and (iii) assume 49% of the abandonment obligations to be completed by the end of the O&G Contract in 2039, which are estimated at US$9.95 million net to NSE.

Pursuant to the terms of the Definitive Agreements, effective May 1, 2024, NSE is entitled to the economic interests, including production and cash flows therefrom, of being a 49% equity interest holder in OPS which entitlement begins in advance of the closing of the first tranche. Closing of the first tranche is expected to occur on or about July 29, 2024 and is conditional upon NSE funding the first US$15 million of the Commitment.

The Commitment will be reimbursed by OPS using cashflow from operations and the maximum capital exposure of NSE under the Capex Commitment is estimated at US$12.5 million.

With the signing of the first tranche of the Acquisition, NSE has nominated one director to the board of directors of OPS, has filled a number of technical and managerial positions of OPS, and will nominate a member of OPS in the operating committee of the O&G Contract.

The second tranche involves the purchase by NSE of up to an additional 41% of the equity interest of OPS under terms to be negotiated among NSE and the Vendor based on the results of operations on the field. NSE will have exclusivity, a right of first offer and a first right of refusal ("ROFR") for six months after completion of the two-year Commitment, to negotiate the second tranche of the Acquisition, which will be subject to regulatory approval.

OPS

OPS has been operating the O&G Contract at the Soledad Block awarded by PEP since 2013. The O&G Contract was amended on May 1, 2024, with an effective date of May 1, 2024 to, among other things, extend its term until 2039, with a possible additional 10-year extension, and to include a profit-sharing remuneration structure for OPS based on revenues minus royalties, special taxes and irreducible costs. Under current pricing and based on current royalty rates and tax rates, the profit participation for OPS under the O&G Contract is 88.23%. Gross current production for the Soledad Block is approximately 1,430 boe/d, and this amended O&G Contract provides economic incentive for additional investment in the Soledad Block which is expected to materially increase production. The new development plan approved by PEP calls for 42 workover wells, 12 deviated wells and 4 horizontal wells during the first two years, which will be funded through the Capex Commitment.

Advisors

Cormark Securities Inc. and Horizon Partners acted as financial advisors to the Corporation with respect to the Acquisition. Dentons Colombia, Dentons Mexico and Dentons Canada LLP acted as legal counsel to the Corporation with respect to the Acquisition.

Echelon Wealth Partners Inc. and Paradigm Capital Inc. are acting as financial advisors to the Corporation.

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Forward-Looking Information

Certain information set forth in this news release constitutes "forward-looking statements", and "forward-looking information" under applicable securities legislation (collectively, "**forward-looking statements**"). All statements other than statements of historical fact are forward-looking statements. Forward-looking statements may be identified by the use of conditional or future tenses or by the use of words such as "will", "expects", "intends", "may", "should", "estimates", "anticipates", "believes", "projects", "plans", and similar expressions, including variations thereof and negative forms. Forward-looking statements in this news release include, among others, the closing of the initial tranche of the Acquisition including the timing thereof and the expected benefit to the Corporation, the closing of the second tranche of the Acquisition, including the timing, the purchase price and the other material terms thereof, the expectation that OPS will apply for an extension of the O&G Contract, the result of such application and the expected benefits therefrom, reserves volumes, expected production amounts, the amounts to be funded under the Commitment, the timing of such funding, the use of proceeds by OPS under the Commitment, the expected maximum exposure of NSE under the Commitment, the expected abandonment obligations under the O&G Contract, and the timing of the new development plan, the number and types of wells to be drilled in connection therewith and the results therefrom. Forward-looking statements are based on the Corporation's current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Forward-looking statements are not guarantees of future performance and undue reliance should not be placed on them.

In respect of the forward-looking statements contained herein, the Corporation has provided them in reliance on certain assumptions that it believes are reasonable at this time, some or all of which may prove to be incorrect. Accordingly, readers should not place undue reliance on the forward-looking statements contained herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: the ability to successfully integrate operations and realize the anticipated benefits of the Acquisition; the ability to increase production at the Soledad Block, and the anticipated cost associated therewith; incorrect assessments of the value of the Acquisition; changes in government regulations; changes in commodity prices and currency exchange rates; interest rate fluctuations; the ability to secure adequate equity and debt financing; and management's ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. New Stratus undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. Actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits may be derived therefrom.

Oil and Gas Advisory

This news release includes a reserves estimate which is based on estimated total petroleum initially in place and a recovery factor attributable to the Soledad Block (as determined in 2019 by a technical and operational task force including Gaffney, Cline & Associates) The asset offers several opportunities to increase production including targeted well intervention and well construction activities. The reserves estimate is based on the procedures and standards contained in the Petroleum Resources Management System ("PRMS") of the Society of Petroleum Engineers, which is the historical reserves estimation methodology used by the Vendor. The use of PRMS differs from the reserves estimation requirements under Canadian securities laws. The reserves estimate provided herein is for informational purposes only and therefore should not be unduly relied upon. The Corporation has engaged a qualified reserves evaluator to prepare reserves estimates in accordance with the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities, and will disclose such estimates upon the completion of the evaluation.

Statements relating to reserves and resources are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves and resources described exist in the quantities predicted or estimated. The reserve and resource estimates described herein are estimates only. The actual reserves and resources may be greater or less than those calculated. There is no certainty that it will be commercially viable to produce any of the reserves or resources.

Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 thousand cubic feet (Mcf) per 1 barrel (bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a 6:1 conversion basis may be misleading as an indication of value.