

# PetroFrontier Corp. Announces Funding Transaction to Advance Development at Cold Lake and Wabasca

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CALGARY, October 8, 2021 - [PetroFrontier Corp.](#) ("PetroFrontier" or "the Company") (TSXV:PFC) is pleased to announce that it has entered into a letter of intent ("LOI") with an arm's-length third party company ("Fundco") which will enable continued development of PetroFrontier's joint ventures at the Cold Lake and Wabasca areas of Alberta (the "PFC Interests").

The LOI contemplates the following:

1. Fundco will provide total funding to PetroFrontier in the amount of \$24,000,000 (the "Funding") enabling Fundco to earn up to a 50% interest in the PFC Interests.
2. Fundco will immediately loan the amount of \$2,000,000 to PetroFrontier (the "Initial Loan") with completion of formal agreements (the "Formal Agreements" expect to be on or before October 31, 2021. The Initial Loan will be used to commence completion operations on certain wells that have already been drilled by PetroFrontier but have not yet been completed together with workover operations on certain wells that are currently shut-in. It is anticipated that one already licenced horizontal well will also be drilled using the Initial Loan proceeds.
3. Fundco will follow up the Initial Loan with additional funding in the amount of up to \$22,000,000 such that PetroFrontier will have been provided the total funding of \$24,000,000. While Fundco may provide the Funding entirely in one tranche, the Formal Agreements will provide that Fundco may provide the Funding in three tranches providing that a first tranche must be advanced on or before November 30, 2021. At closing of such first tranche advance, the Initial Loan will have been deemed repaid.
4. In the event that Fundco has not provided the remainder of the first tranche funding prior to November 30, 2021, Fundco's ability to earn an interest in the PFC Interests will terminate and PetroFrontier has agreed to assume the obligations under the Initial Loan. In such case, the Initial Loan will be repayable on or before October 31, 2022 and will bear interest at a rate of 12%. PetroFrontier will grant a general security agreement securing the obligations under the Initial Loan which will be subordinated to PetroFrontier's existing credit facilities.
5. All resource pools generated by expenditures funded by Fundco will be allocated to Fundco (up to the amount advanced under any tranche) such that Fundco will be able to renounce such resource pools to its investors.

## Superior Proposal

The Formal Agreements will contain a provision whereby, in the event that a superior proposal is received by PetroFrontier, PetroFrontier may accept such proposal and pay a break fee of \$200,000 which may be paid through the issuance of PetroFrontier common shares at a price of \$0.09 per common share.

## Conditions Precedent

Closing of the Funding remains subject to the completion and execution of the Formal Agreements and obtaining requisite approvals including that of the TSX Venture Exchange. There can be no assurance that Formal Agreements will be executed or that regulatory body approval(s) will be obtained such that the Funding will be completed.

## About PetroFrontier Corp.

PetroFrontier is a junior energy company currently focused on developing two Mannville heavy oil plays in the Cold Lake and Wabasca areas of Alberta.

## Forward-Looking Statements

This press release may contain forward-looking information that involves substantial known and unknown risks and uncertainties, most of which are beyond the control of PetroFrontier, including, without limitation, statements pertaining to entering into of Formal Agreements, completion of the Funding, obtaining necessary approvals from the TSX Venture Exchange, and regarding management's future plans and goals generally. All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Any forward-looking statements are made as of the date of this release and, other than as required by applicable securities laws, PetroFrontier does not assume any obligation to update or revise them to reflect new events or circumstances.

The Exchange has in no way passed upon the merits of the proposed funding transaction and has neither approved nor disapproved the contents of this press release.

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.

## For More Information Contact:

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