

Softrock Minerals Announces Proposed Recapitalization Transaction Including New Management Team, Corporate Strategy, Financing and Changing of Name to Criterium Energy Ltd.

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CALGARY, July 12, 2022 - [Softrock Minerals Ltd.](#) ("Softrock" or the "Corporation") (TSXV: SFT.V) is pleased to announce that it has entered into a definitive reorganization and investment agreement (the "Recapitalization Agreement") with Robin Auld, Matthew Klukas, Brian Anderson, Hendra Jaya, and Henry Groen which provides for:

(i) a non-brokered private placement of units of Softrock (the "Units") at a price equal to \$0.04 per Unit for minimum gross proceeds of \$3.0 million, with best efforts being used to obtain subscriptions for maximum gross proceeds of \$5.0 million (the "Non-Brokered Private Placement"), and;

(ii) the appointment of a new management team (the "New Management Team") and reconstitution of the board of directors (the "New Softrock Board") of Softrock (together, the "Change of Management"),

(collectively, the "Transaction").

Concurrently with the completion of the Transaction, it is expected that the name of the Corporation will be changed to "Criterium Energy Ltd." (the "Name Change"), subject to receiving the necessary shareholder approvals and approval of the TSX Venture Exchange (the "TSXV").

The New Management Team will be led by Robin Auld as President and Chief Executive Officer, Matthew Klukas as Chief Operating Officer, Henry Groen as Chief Financial Officer, and Hendra Jaya as Director, Indonesia. Upon completion of the Transaction, Softrock has agreed that the board of directors will be reconstituted and shall initially consist of existing board member Michèle Stanners, and new directors Robin Auld, and Brian Anderson. It is anticipated that additional independent directors will be appointed at the next annual general meeting of the Corporation. Each member of the New Management Team and the New Softrock Board along with the current directors of Softrock intend to participate in the Non-Brokered Private Placement.

New Management Team

The New Management Team has an extensive track record of value creation in the energy sector and intends to execute a growth-and-income business model focused on upstream and transitional energies in Southeast Asia ("ASEAN"¹). Collectively, the New Management Team and the New Softrock Board has a strong reputation of collaborative and ethical business within ASEAN, a reputation built upon over 100 combined years of experience with junior to intermediates (Jadestone Energy and Addax Petroleum), IOCs (Talisman Energy and Repsol), NOCs (Pertamina), and Super Majors (Shell). In addition to their deep ASEAN experience, the New Management Team has also delivered value in the North American upstream, midstream and power generation sectors for many years, with a focus on methods and technologies that enhance reservoir performance and operational efficiencies.

¹ Southeast Asia refers to the ASEAN (Association of Southeast Asia Nations) nations which consist of, in order of greatest population to least, Indonesia, Philippines, Vietnam, Thailand, Myanmar, Malaysia, Cambodia, Laos, Singapore, and Brunei.

Datuk Brian Anderson*, Non-Executive Chairman

Mr. Anderson brings to Criterium Energy five decades of operating experience including 16 years in Asia Pacific. He has led large multi-disciplinary operations and successfully executed safe growth strategies in developing markets. He is the former Chair for the Shell Companies in Northeast Asia, and prior to that he

was the Chair for Shell Nigeria where he was responsible for managing over 1.0 mmbbl/d of oil production and 6.4 MTPA of LNG export. Within Asia Pacific, Mr. Anderson previously held the roles of Managing Director for Shell's E&P companies in Malaysia and was GM Development for Woodside Petroleum in Australia. After retiring from Shell, amongst other activities, he was a Director at TSX-listed Addax Petroleum Ltd. He holds a BSc. in Metalliferous Mining Engineering and an MSc in Petroleum Reservoir Engineering.

Michèle Stanners*, Non-Executive Director

Ms. Stanners is a nationally recognized culture leader and nation builder with over 30 years developing the arts and cultural landscape in Canada. To Criterium Energy, she brings a strong stakeholder relations experience that will guide the New Management Team's collaborative approach to operating internationally. Ms. Stanners has engaged with a number of strategic priorities for the International Women's Forum and holds a Masters in Theological Studies from Harvard University and a MBA and Law Degree from the University of Alberta.

Robin Auld*, President, Chief Executive Officer and Director

Mr. Auld is the founder of Criterium Group and for over 20 years has specialized in leading organizations through mission-critical initiatives and periods of transformational change. Mr. Auld will apply decades of strategic advisory and capital market experience to execute Criterium Energy's strategy and maintain the access to capital necessary to realize the company's objectives. His energy experience is rooted in strategic, commercial, and operational advisory services for Talisman Energy, Cenovus Energy, Veresen Energy and Aux Sable. He holds an Engineering degree from the Royal Military College of Canada, an MBA from Queen's University and is a registered engineer with APEGA.

Matthew Klukas, Chief Operating Officer

Mr. Klukas has worked Asia Pacific upstream energy since his career began as a Geophysicist in 2008 with Talisman Energy. Since then, he has held technical, business development, asset management and operational roles within the energy sector in ASEAN and Canada with large multinational companies, junior transitional energy companies, and power generators. Within Criterium Energy, he will bring asset specific knowledge and leadership to the Company's operations and strong relationships in ASEAN. Mr. Klukas holds a BSc. in Geophysics from the University of Alberta, an MBA from University of Calgary and is a registered geoscientist with APEGA.

Dr. Henry Groen (CPA, CMA), Chief Financial Officer

Dr. Groen is the former VP and Deputy General Manager for Talisman Vietnam and Truong Song Joint Operating Company, and Assistant General Manager for Talisman Asia Ltd. He has held various managerial and financial roles in ASEAN and brings a first-hand understanding of the financial and accounting controls required for a Canadian company operating in ASEAN. He holds a doctorate in business administration from the University of Newcastle, New South Wales, with a thesis based on Corporate Social Responsibility within the energy sector in ASEAN and an MBA from Athabasca University. He is a Chartered Professional Accountant (CMA).

Hendra Jaya, Director, Indonesia

Mr. Jaya is the former President Director for PT Pertamina Gas, President Director of PT Nusantara Regas, and General Manager for JOB Pertamina-Medco Tomori. After a distinguished 30-year career with Pertamina, he will now be responsible for Criterium Energy's operations in Indonesia, which will benefit from his strong leadership and technical skills as it relates to managing multi-disciplinary and multi-national teams in both onshore and offshore operating environments. Mr. Jaya holds a BEng. in Mining Engineering from the Bandung Institute of Technology, an MBA from Prasetiya Mulya Business School, and completed the Stanford School of Business Leadership and Development Program.

** Indicates proposed member of the New Softrock Board.*

Operating and technical staff in Canada and ASEAN have been identified and engaged to assist in the delivery of the vision and strategy outlined below.

Vision & Strategy

The New Management Team intends to build a large independent upstream energy company by executing an acquisition, development, and optimization strategy targeting ASEAN upstream energy assets. This vision is underpinned by the New Management Team's technical and commercial capabilities, the regions high-yield energy market, and a strong M&A pipeline in ASEAN that the New Management Team believes will result in scalable growth and sustainable cash generation.

Actively supporting the energy transition

By 2035, ASEAN's population is forecasted to be over 800 million and the middle-class population is expected to double, reaching approximately 350 million people, exceeding the entire United States population. This demographic emergence is the catalyst for world leading economic growth with GDP forecasted to increase by 140% and energy demand to keep pace with an increase of over 125%.² Various forms of energy will be required to support these growing economies and hydrocarbons will play a pivotal role as natural gas demand is expected to grow by at least 50% by 2050 under the accelerated transition scenario limiting global temperature rise to 2°C.³ This demand growth is driven by coal to gas switching for power generation and underpinning intermittent renewables.

Executing upon Strategic Pillars

Upon completion of the Transaction, the New Management Team intends to target upstream energy assets in ASEAN that can support a free cash flow operating model by realizing development growth, production optimization, and economies of scale. The New Management Team will prioritize a combination of producing assets and energy developments near demand centers and exposure to premium-priced markets when compared to North America. The New Management Team intends to focus on total shareholder return by executing on three strategic pillars:

1. Successful and sustainable reputation

- Maximize access to M&A opportunities, including non-competitive processes, on favorable terms

- Provide social license to operate and demonstrated ability to execute projects to governments and regulators in target jurisdictions

- Attract top talent for regional operations teams

2. Innovation and technology arbitrage

- Introduce technologies that have been proven in Western Canada and elsewhere to undercapitalized ASEAN assets

- Examples include pressure maintenance, reservoir management, modular development concepts and carbon sequestration

3. Operational Excellence

- Improving efficiency and reducing the carbon footprint of the Corporation's operations

- Introducing digital technologies to legacy assets and new developments

- Setting tangible emissions reduction targets

The Corporation intends to target assets and jurisdictions where it holds a competitive advantage across all three strategic pillars.

² Source, *International Monetary Fund (IMF) & International Energy Association (IEA)*

³ Source: *Wood Mackenzie Energy Transition Service*.

Softrock's Royalty Assets

Softrock is a public company incorporated under the Alberta Business Corporations Act with its shares traded on the TSXV. Since incorporation in 1994, the Corporation has invested in oil, gas, and mineral exploration and development globally. Recently, the Corporation's assets have been consolidated and the New Management Team believes they now comprise a valuable foundation of cash flow generating royalties which can support the vision and strategy of the New Management Team outlined above.

In addition to the cash on hand and international income tax pools, Softrock has no debt and holds royalty interests in five producing oil and gas wells located in the Charlie Lake and Grand Forks areas of Alberta, Canada (the "Royalties"). The Royalties have been independently valued at approximately \$1.9 million⁴ effective December 31, 2021. Softrock also holds a 2% net smelter return royalty on certain mineral claims in the Shatford Lake area of Manitoba that are prospective for lithium.

Private Placement

The New Management Team, together with additional subscribers identified by them as well as each of the

current directors of Softrock, will subscribe for a minimum of 75,000,000 Units at a price of \$0.04 per Unit for minimum gross proceeds of \$3,000,000, with best efforts being used to obtain subscriptions for a maximum of 125,000,000 Units at a price of \$0.04 per Unit for maximum gross proceeds of \$5,000,000, on a non-brokered private placement basis (the "Private Placement"). Each Unit will be comprised of one common share of Softrock ("Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder thereof to acquire one Common Share prior to the date that is five years from the date of issuance of the Warrant at an exercise price of \$0.04. The Warrants will vest and become exercisable as to one-third upon the 20-day volume weighted average trading price of the Common Shares on the TSXV (the "Market Price") equaling or exceeding \$0.055 per Common Share, an additional one-third upon the Market Price equaling or exceeding \$0.065 per Common Share and the final one-third upon the Market Price equaling or exceeding \$0.08 per Common Share. Vesting of the Warrants is subject to the completion of the Consolidation (as defined below), resulting in the post-Consolidation exercise price of the Warrants being equal to or greater than \$0.05. Closing of the Private Placement will occur concurrently with the Change of Management.

Proceeds from the Private Placement will be used to increase Softrock's working capital position, for general corporate purposes, for future acquisitions of upstream energy assets, and supporting the New Management Team's strategy of building a portfolio of free cash flow generating assets with the ability to generate returns for shareholders.

The Common Shares and Warrants issued in connection with the Private Placement, and the Common Shares issuable on exercise of the Warrants, will be subject to a Canadian statutory hold period of four months plus one day from the closing of the Private Placement in accordance with applicable securities legislation.

4 Valuation is representative of undiscounted future cash flows with an effective date of December 31, 2021. The evaluation was conducted by Chapman Petroleum Engineering Ltd. and assumes an average Brent price of \$74.30/bbl over the next five years. The estimated value of undiscounted future cash flows do not represent fair market value. For further details, see Softrock's Statement of Reserves Data and Other Oil and Gas Information (Form 51-101F1), which is available under Softrock's profile on www.sedar.com.

Softrock Options and Warrants

In connection with the Transaction, the resigning officers and directors of Softrock who hold options to purchase Common Shares ("Options") will enter into Option exercise and cancellation agreements, pursuant to which such holders will agree to exercise or surrender for cancellation their outstanding Options at or prior to closing of the Transactions ("Closing").

Softrock's currently issued and outstanding share purchase warrants will continue to be outstanding following Closing in accordance with their terms.

Severance Payments

In connection with the Transaction, the current executives of Softrock (the "Executives") will receive severance payments that will include the issuance of a total of 1,786,324 Common Shares (the "Severance Shares") to be issued at a deemed price of \$0.04 per share and a cash payment equal to the applicable withholding taxes on the Severance Shares, concurrent with the completion of the Transaction and subject to the approval of the TSXV. Softrock will not owe any further employee or director obligations other than these severance payments.

Approvals

Completion of the Transaction is subject to a number of conditions and approvals including, but not limited to, the approval of the TSXV and shareholders of Softrock. It is expected that Softrock will hold a shareholders meeting in September 2022 (the "Softrock Meeting"), to approve among other items: (i) the Change of Management, as required by policies of the TSXV, and (ii) the Name Change. The Transaction is not expected to materially affect control of Softrock nor create a new control person of Softrock.

Pursuant to the policies of the TSXV, in order to be permitted to issue the Units at less than the minimum issue price of \$0.05 per Unit, Softrock has also committed to seek shareholder approval of the consolidation of the Common Shares on the basis of one post-consolidation Common Share for up to every 4 pre-consolidation Common Shares (the "Consolidation") at a special meeting of shareholders no later than 6

months after the completion of the Transaction and to effect the Consolidation as soon as possible thereafter. Subscription agreements for the Units issuable under the Non-Brokered Private Placement will include a covenant from the subscribers to vote in favour of the Consolidation at the special meeting of shareholders.

Board Recommendation

The board of directors of Softrock has unanimously approved the Transaction and determined that the Transaction is in the best interest of Softrock and recommends shareholders vote in favour of the Change of Management and the other transactions contemplated by the Recapitalization Agreement. Stuart McDowall, Chair of Softrock commented: "The Board of Directors of Softrock welcomes the New Management Team to Softrock and supports the ASEAN focused vision & strategy."

Certain shareholders of Softrock who hold, in the aggregate, approximately 18.2% of the issued and outstanding Common Shares have agreed to vote their Common Shares in favour of the Change of Management and the other transactions contemplated by the Recapitalization Agreement at the Softrock Meeting.

The Recapitalization Agreement

The Recapitalization Agreement contains a number of customary representations, warranties and conditions. The complete Recapitalization Agreement will be accessible on Softrock's SEDAR profile at www.sedar.com

Reader Advisors

Forward-looking information and statements

Certain information contained herein may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities legislation that involve known and unknown risks, assumptions, uncertainties and other factors. Forward-looking statements may be identified by words like "anticipates", "estimates", "expects", "indicates", "intends", "may", "could", "should", "would", "plans", "proposed", "potential", "will", and similar expressions. Forward-looking statements in this news release include: the composition of the New Management Team and the New Softrock Board and the benefits to be derived therefrom; the expectation that the Private Placement will be completed in accordance with its terms; the expectation that the Name Change will be completed; the expectation that additional members will be appointed to the New Softrock Board at the next annual general meeting of the Corporation; the timing of obtaining the approval of the Softrock shareholders of the Consolidation; the Consolidation ratio; Softrock's corporate strategy including with respect to the optimization strategy targeting ASEAN upstream energy assets, the anticipated benefits to be derived therefrom and expectations of the regions high-yield energy market; future demographics in ASEAN; the New Management Team's priorities and focus for the energy assets in ASEAN; the Corporation's assets comprise a valuation foundation to support the New Management Team's vision and strategy; anticipated subscription amounts, pricing and terms under the Private Placement; the intention to issue Severance Shares to the Executives and the terms thereof; the anticipated vesting terms of the Warrants; the planned use of the net proceeds of the Private Placement; Softrock's intention to obtain required TSXV approvals; expected timing for the Softrock Meeting; and other similar statements. Such statements reflect the current views of the Corporation with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause results to differ materially from those expressed in the forward-looking statements.

Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of the Corporation's businesses include, among other things: risks and assumptions associated with operations; the approval of the Transaction by the TSXV; risks inherent in the Corporation'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 the New Management Team 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 (including COVID-19) and epidemics, instability and political and economic conditions in or affecting countries in which the New Management Team 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 the Corporation's 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 Corporation's future course of action depends on the assessment of all information available at the relevant time.

With respect to forward-looking statements contained in this news release, the Corporation has made assumptions regarding, among other things: ASEAN's future population, demographic and energy demands; that upstream energy assets in ASEAN can support a free cash flow operating model by realizing development growth, production optimization, and economies of scale; the COVID-19 pandemic and the duration and impact thereof; 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 the New Management Team 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 news 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.

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 news release.

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