

PetroTal Announces Q3 2022 Operations and Liquidity Update

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Calgary, October 13, 2022 - [PetroTal Corp.](#) (TSXV: TAL) (AIM: PTAL) (OTCQX: PTALF) ("PetroTal" or the "Company") is pleased to announce the following operational and corporate updates.

Q3 2022 Production

PetroTal's Q3 oil production was approximately 1.12 million barrels, representing 12,229 barrels of oil per day ("bopd"), which was the Company's second best producing quarter to date. The current technical production capacity of the Bretana oilfield is approximately 18,000 bopd, prior to the upcoming completion of well 13H. The third quarter is a seasonally dry quarter, but this year the river water levels were unusually low, so PetroTal took the precaution of loading barges to a reduced capacity to ensure their safe operation while traveling. As a result, production was constrained during this period to match reduced export capacity, which has been impacted from the continued closure of the Northern Peruvian Pipeline ("ONP"). As the dry period passes and water levels rise, the Company expects to return to increased levels of barge capacity.

Well 13H Update

On October 4, 2022, well 13H reached its total depth and is now being completed. At an unconstrained level, the Company expects to again have production capacity of over 20,000 bopd that can be quickly activated once river levels normalize, and additional barges are made available.

ONP and Barging Update

The ONP remains down as Petroperu continues to work through maintenance activities related to damage at various points on the pipeline. The Company is working with the new management of Petroperu to develop a view on when it may be able to resume exports through the ONP, but currently assumes this will not happen in 2022.

The Company is also working actively to expand the capacity of its export route to Brazil, both through expansions of the barge fleet and optimization of the round trip time with the eventual goal of reaching 1 million barrels of capacity. The Company expects to continue increasing its monthly Brazilian export capacity from the initial 120,000 barrels exported in December 2020 to an average of 600,000 barrels per month in 2023, without reliance on the ONP. In May and August 2022, the Company exported 470,000 and 450,000 barrels respectively, to Brazil, prior to being impacted by low river levels.

Liquidity Update

As at September 30, 2022 the Company had approximately \$93 million in total cash with \$18 million being restricted. At the end of Q3 2022, accounts payable were approximately \$50.6 million, and estimated accounts receivable were \$123.7 million. Subsequent to the quarter end, \$12 million was received related to Brazilian export sales. The majority of remaining receivables are amounts owing from Petroperu related to June's sales export at Bayovar and for oil that entered the ONP in February 2022. The overdue amount owing from Petroperu, related to the July sales export is \$64 million (including VAT). PetroTal has been working diligently with the finance group at Petroperu to establish a repayment schedule for the \$64 million and to ensure the February invoice amount is a priority once their credit is reactivated.

Adjusted 2022 Guidance - Assuming no ONP availability

Adjusted Guidance	Q1 (actual)	Q2 (actual)	Q3 (actual)	Q4 (constrained)	2022
Oil wells completed	1 (10H)	1 (11H)	0	2 (13H + 12H)	4
Average Production (bopd)	11,746	14,467	12,229	16,500	13,500 - 14,000
USD millions, unless otherwise stated	Guidance				
Realized Brent (USD/bbl)	\$80				
Average Production (bopd)	13,500 - 14,000				
Net operating income	\$309				
G&A	(\$22)				
Net derivative settlements	\$22				
Adjusted EBITDA	\$309				
CAPEX	(\$98)				
Free cash flow	\$211				

Debt Reduction Strategy

The Company now expects the full bond settlement to be made by the end of Q1 2023, at which time, there will be a reduction of the call premium, saving approximately \$2.6 million in buyout costs. Thereafter, as previously indicated and liquidity permitting, the Company expects to begin a capital return program to shareholders. PetroTal is currently in compliance with all bond covenants and expects to remain so prior to the expected retirement date.

Manuel Pablo Zuniga-Pflucker, President and Chief Executive Officer, commented:

"We continue to work with our trader to increase their overall available contracted barging fleet size to alleviate oil export constraints, which have been compounded by the unavailability of the ONP since early 2022. We are adjusting our 2022 guidance to reflect a conservative sales scenario, which we hope to exceed should the ONP become a viable sales option in Q4 2022. Under this conservative scenario, cash flow is still very strong allowing the Company to deliver on its promised shareholder return program in 2023. Additionally, we are looking forward to finalizing the ongoing successful working table discussions related to the social trust."

ABOUT PETROTAL

PetroTal is a publicly traded, tri quoted (TSXV: TAL) (AIM: PTAL) and (OTCQX: PTALF) oil and gas development and production Company domiciled in Calgary, Alberta, focused on the development of oil assets in Peru. PetroTal's flagship asset is its 100% working interest in Bretana oil field in Peru's Block 95 where oil production was initiated in June 2018. In early 2020, PetroTal became the largest crude oil producer in Peru. The Company's management team has significant experience in developing and exploring for oil in Peru and is led by a Board of Directors that is focused on safely and cost effectively developing the Bretana oil field. It is actively building new initiatives to champion community sensitive energy production, benefiting all stakeholders.

For further information, please see the Company's website at www.petrotal-corp.com, the Company's filed documents at www.sedar.com, or below:

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OIL REFERENCES: All references to "oil" or "crude oil" production, revenue or sales in this press release mean "heavy crude oil" as defined in NI 51-101. All references to Brent indicate Intercontinental Exchange ("ICE") Brent.

FORWARD-LOOKING STATEMENTS: This press release contains certain statements that may be deemed to be forward-looking statements. Such statements relate to possible future events, including, but not limited to: PetroTal's business strategy, objectives, strength and focus; drilling, completions, workovers and other activities and the anticipated costs and results of such activities; PetroTal's revised 2022 guidance and budget including, but not limited to, estimated or anticipated production levels, capital expenditures and drilling plans; the intention to redeem the outstanding bonds; PetroTal plans to deliver strong operational performance and to generate free cash flow and growth; capital requirements and the Company's ability to access capital on desirable terms and within required timelines; the ability of the Company to achieve drilling success consistent with management's expectations; the ability of the Company to achieve near term production targets and operate at unrestricted levels; anticipated future production and revenue; drilling plans including the timing of drilling, commissioning, and startup and the impact of delays thereon; oil production levels, including average and exit production in 2022; sales expansion through alternative exports routes, including barging and trucking; the Company's proposals for collaboration with local communities; and future development and growth prospects. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "estimate", "potential", "will", "should", "continue", "may", "objective" and similar expressions. The forward-looking statements are based on certain key expectations and assumptions made by the Company, including, but not limited to, expectations and assumptions concerning the ability of existing infrastructure to deliver production and the anticipated capital expenditures associated therewith, the ability of the Ministry of Energy to effectively achieve its objectives in respect of reducing social conflict and collaborating towards continued investment in the energy sector, reservoir characteristics, recovery factor, exploration upside, prevailing commodity prices and the actual prices received for PetroTal's products, including pursuant to hedging arrangements, the availability and performance of drilling rigs, facilities, pipelines, other oilfield services and skilled labour, royalty regimes and exchange rates, impact of inflation on costs, the application of regulatory and licensing requirements, the accuracy of PetroTal's geological interpretation of its drilling and land opportunities, current legislation, receipt of required regulatory approval, the success of future drilling and development activities, the performance of new wells, the Company's growth strategy, general economic conditions and availability of required equipment and services. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses; and health, safety and environmental risks), commodity price volatility, price differentials and the actual

prices received for products, exchange rate fluctuations, legal, political and economic instability in Peru, wars (including Russia's war in Ukraine), access to transportation routes and markets for the Company's production, changes in legislation affecting the oil and gas industry and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. The ongoing war between Russia and Ukraine has the potential to threaten the supply of oil and gas from the region. The long-term impacts of the war between these nations remains uncertain. In addition, the Company cautions that current global uncertainty with respect to the spread of the COVID-19 virus and its effect on the broader global economy may have a significant negative effect on the Company. While the precise impact of the COVID-19 virus on the Company remains unknown, rapid spread of the COVID-19 virus may continue to have a material adverse effect on global economic activity, and may continue to result in volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, increased operating and capital costs due to inflationary pressures, business, financial conditions, results of operations and other factors relevant to the Company. Please refer to the risk factors identified in the Corporation's annual information form (filed April 28, 2022) and MD&A (filed August 25, 2022) (the "MD&A"), which are available on SEDAR at www.sedar.com. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly 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.

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FOFI DISCLOSURE: This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about PetroTal's revised budget and guidance, prospective results of operations, production and production capacity, free cash flow, revenue, adjusted EBITDA, debt repayment, liquidity, shareholder returns and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this press release was approved by management as of the date of this press release and was included for the purpose of providing further information about PetroTal's anticipated future business operations. PetroTal disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

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