Welchau Gas Exploration Well Update

27.02.2024 | CNW

Drilling Operations Report No 1

VANCOUVER, Feb. 27, 2024 - MCF Energy Ltd. (TSXV: MCF) (FRA: DC6) (OTCQX: MCFNF) ("MCF", "MCF Energy" or the "Company") is pleased to announce that the Welchau-1 gas exploration well was spudded on the 24th of February using the RED Drilling & Services GmbH (RED) E200 drill rig in the ADX-AT-II exploration licence in Upper Austria.

Operations at 6.00 am on the 26th of February, the well drilled a 17 ½ inch hole at a depth of 125 metres where 13 3/8th inch casing was run in the hole and cemented back to surface. This completes the first planned protection string of casing outlined in the approved drilling program.

Summary of Well Program

The Welchau-1 gas exploration well is targeting the mid Triassic age Steinalm formation (refer to Well Prognosis on figure 2) in which gas was discovered at the nearby Molln-1 well. The expected total drill depth is between 1,500 metres to 1,900 metres measured depth. The main target depth is between 1,100 metres and 1,800 metres measured depth. The success case drilling and evaluation program is anticipated to take approximately 39 days.

Community Engagement and Public Interest

The Welchau-1 exploration project has received extensive exposure in both television and print media in Austria due to its location proximal to a nature reserve. The project's environmental clearance was received following an extensive review process which weighed up the touristic and environmental impact of the project versus the local community and national benefits of a potential gas discovery at Welchau-1 which is located in the municipality of Molln.

Limited resistance to the project has been received from some special interest groups. Despite a vocal minority there has been overwhelming support for the project from the local community. The Welchau exploration project has been determined by the relevant authorities to be in the public interest due to its potential to reduce dependency on Russian natural gas imports, increase gas supply security, diversify gas supply, reduce reliance on imports and fulfil the Austrian federal mandate to explore and produce hydrocarbons.

MCF and the licence operator ADX Energy Ltd. are taking the necessary planning and operational measures to ensure natural gas exploration and if successful production can coexist with environmental protection and local tourism. To achieve the high standards required ADX and MCF have ensured the required safety, noise and environmental emission standards are met by contractors and service providers. ADX and MCF have endeavoured to maximise local content where there is an excellent past record of safety, environmental protection and project execution.

The company would like to make the following correction to the February 26th Press release on the acquisition of the Czech Gas Projects:

Independent Reserve Report

An Independent Reserve report by Boury Global Energy Consultants (the "Report") reviewed the NT Ridge area which is located about 28 km southeast of Ostrava, the third largest city in the Czech Republic. Reviewing the geology, the Report confirmed 13 Proved Undeveloped and 2 Probable Undeveloped locations for development having an estimated 11.9 BCF of Proven and Probable reserves within the NT Ridge area. The Report gives an estimated Net Present Value before tax (discounted at 10%) for the Proved and Probable reserves of US$53.55 million for the NT Ridge area. The two other production concessions, Krasna NP and LM, are not included in the Report and represent significant additional upside for MCF

Energy shareholders.

About MCF Energy

MCF Energy was established in 2022 by leading energy executives to strengthen Europe's energy security through responsible exploration and development of natural gas resources within the region. The Company has secured interests in several significant natural gas exploration projects in Austria and Germany with additional concession applications pending. MCF Energy is also evaluating additional opportunities throughout Europe. The Company's leaders have extensive experience in the European energy sector and are working to develop a cleaner, cheaper, and more secure natural gas industry as a transition to renewable energy sources. MCF Energy is a publicly traded company (TSX.V: MCF; FRA: DC6; OTCQX: MCFNF) and headquartered in Vancouver, British Columbia. For further information, please visit: www.mcfenergy.com.

Additional information on the Company is available at www.sedarplus.ca under the Company's profile.

Cautionary Statements:

NEITHER THE TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

Advisories:

Forward-Looking Information

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of our anticipated future operations, management focus, strategies, financial, operating and production results, industry conditions, commodity prices and business opportunities. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding the anticipated timing of development plans and resource potential with respect to the Company's right to assets in Czech Republic. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future.

The forward-looking information is based on certain key expectations and assumptions made by MCF Energy's management, including expectations and assumptions noted subsequently in this press release under oil and gas advisories, and in addition with respect to prevailing commodity prices which may differ materially from the price forecasts applicable at the time of the respective Resource Audits conducted by GCA and Reserve Audits conducted by Boury Global Energy Consultants, and differentials, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of future wells; resource volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; the ability to efficiently integrate assets and employees acquired through acquisitions, the ability to market natural gas successfully and MCF's ability to access capital. Although the Company 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 MCF Energy can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. MCF Energy's actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide securityholders with a more complete perspective on future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this press release and we disclaim any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Oil & Gas Advisories

Boe means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 barrel of oil equivalent. Mcfe means one thousand cubic feet of natural gas equivalent on the basis of 6 Mcfe: 1 barrel of oil. A boe conversion ratio of 6 Mcf: 1 Boe and 6 Mcfe: 1 bbl. are based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the price of crude compared to the price of natural gas at various times can be significantly different from the energy equivalence of 6 Mcf: 1 boe or 6 Mcfe: 1 bbl., using Boe's and Mcfe's may be misleading as an indication of value.

Statements herein are made consistent with Canadian Oil and Gas Evaluation (COGE) Handbook. The resources definitions used in preparing this report are those contained in the COGE Handbook and the Canadian Securities Administrators National Instrument 51-101 (NI 51-101). Readers should give attention to the estimates of individual classes of resources and appreciate the differing probabilities of recovery associated with each class as explained herein. "Proven" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. There is a 90% probability that the actual remaining quantities recovered will equal or exceed the estimated proved reserves. "Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. "Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves. "Discovered petroleum initially-in-place" or "discovered resources" or "DPIIP" Definition: That quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially-in -place includes production, reserves and contingent resources; the remainder is unrecoverable. "Developed" reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure to put the reserves on production. "Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty. "Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown. "Undeveloped" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned. P = proven undeveloped, PP = Proven + Probable undeveloped, PPP = Proven + Probable + Possible undeveloped "Prospective resources" Definition: Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Both risked and unrisked prospective resources are referred to in this document.

Abbreviations:

Bcf	billion cubic feet
Bcfe	billion cubic feet of natural gas equivalent
Bbl	barrels
Boe	barrels of oil equivalent
M	thousand
MM	million
MMbbls	million barrels of oil
MMBOE	million barrels of oil equivalent
MMBC	million barrels of condensate
Mcfe	thousand cubic feet of natural gas equivalent
MMcfe/d	million cubic feet equivalent per day
Tcf	trillion cubic feet
Km^2	square kilometres
â,¬	Euros

SOURCE MCF Energy Ltd.

Contact
Investor Relations, Jim Hill, CEO, Tel: (604) 609-6110, Email: gkeep@fiorecorporation.com; Public Relations, Sarah Mawji, Email: sarah@finaleditpr.com