

MCF Energy Sets Production Casing at Austria's Welchau-1 Discovery; Preparing for Imminent Drilling at Germany's Lech

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Production casing to be installed at Austria's Welchau-1 discovery of extensive condensate and oil-rich gas shows; full testing set for October 2024

Advances at Germany's Lech concession: Kinsau-1A drillsite prep underway; final permits and drill rig procurement anticipated in coming weeks

Land access for MCF Energy's Lech East secured; high-impact drilling anticipated in 2024

Planning underway for Summer 2024 drilling program in Czech Republic targeting early production

VANCOUVER, March 25, 2024 - [MCF Energy Ltd.](#) (TSXV: MCF) (FRA: DC6) (OTCQX: MCFNF) ("MCF", "MCF Energy" or the "Company") is pleased to update the drilling progress of the Welchau-1 exploration well in Austria, and an update on anticipated operations in the Lech and Lech East concessions in Germany.

WELCHAU-1 UPDATE

Further to the announcement by MCF Energy on March 18, 2024 of the discovery of condensate rich gas shows at Austria's Welchau-1 well, an extensive logging program has been completed, revealing high correlation between hydrocarbon shows and open fracture networks essential for well productivity. The well continues to show strong indications of hydrocarbons in the mud system and has flowed hydrocarbons to surface despite over-balanced mud weight. Production casing will be run.

The Welchau-1 well was drilled a 8 1/2 inch hole to a total depth (TD) of 1,733.1 metres, where a full set of wireline logging tools and an MDT formation test tool was run. The well encountered hydrocarbon shows between the depths of 1,346 metres measured depth (MD) and 1,702 metres MD (a 356 metres gross interval) across three interpreted lithological sequences. At 6.00 am Central European Time (CET) on the 24th of March 2024 the well bore was being conditioned prior to running production 7 inch casing.

An extensive logging program was run in the 8 1/2" section, which included an image log and cross-dipole sonic in addition to standard logs for well evaluation. Visual interpretation of these logs clearly proves the presence of different types of porosity (vuggy and open fractures). Intervals with strong hydrocarbon shows correlate to either fractured zones or zones with vuggy porosity (see Figures 1 and 2).

Hydrocarbon Shows

Strong hydrocarbon shows have been encountered below the sealing Lunz and Partnach Formations. Several gas peaks as high as 8.22% have been recorded in the reservoir formations below the seal. In addition to the gas shows, liquid hydrocarbon shows were also observed. Those include direct and cut fluorescence on cuttings and core fragments. In core fragments the fluorescence is associated with the presence of fractures. Liquid hydrocarbon and gas inflow was monitored in the well following logging operations further confirming existence of live hydrocarbons.

Formation Sampling

The well was planned to be pressure recorded and downhole sampled by running the Modular Formation

Dynamic Tester (MDT) in a dual packer operations mode. The main objective of acquiring downhole samples of reservoir fluids have not yet been achieved.

Five pressure recordings from the interval 1,479 metres to 1,597 metres MD revealed a complex carbonate reservoir setting in an over-pressurised hydraulic system at an equivalent formation density of 1.28 SG. The corresponding permeability of the pressure tested levels show medium to very high permeability which is in agreement with fracture density and petrophysical log interpretation.

The inability to sample reservoir fluids using the MDT from the zones of interest was primarily due to the extensive mud losses into the open fractures of the well and limited testing time. Furthermore operational difficulties hindered the sampling procedures due to tool sticking and the inability to recover representative samples from the zones of interest. The recovery of the stuck MDT tool string required 72 hours of rig time and three attempts to bring the tool string safely back to surface.

During fishing operations to recover the stuck MDT tool, hydrocarbon shows continued to build until the well had to recirculate several times to clear the gas from the well bore to a safe level. Also a strong oil odour was present near the mud tanks and drill floor.

Next Operations

Anticipated well operations in the coming week include the casing, cementing and suspension of the well to preserve the well bore for testing, stimulation and future production, followed by rig down and demobilization of the RED Drilling E200 drill rig. Permit restrictions require drilling and production testing to end by March 31st. Permitting will commence immediately for anticipated testing of the Welchau-1 well in the fourth quarter of 2024. Future testing and potential deepening of the well can be done with a cost-effective workover rig.

The well was drilled efficiently and safely, with some drilling mud fluid losses but without any significant drilling problems. Well penetration rates were faster than the original well plan due to the use of new drilling bit technology. Well costs for this success case are in line with the predicted costs.

ADX Energy Ltd. and MCF Energy conformed and strove to exceed all environmental regulations during the drilling and will continue that practice during the upcoming completion operations, exceeding them when possible.

James Hill, CEO of MCF Energy, stated "After careful review of the logs at Welchau-1 well and continued, encouraging shows of hydrocarbons in the well and at surface, we are cementing 7-inch production casing to the bottom of the Welchau-1well. We will finish our analysis of the logs and the cores we have recovered and are excited to return for production testing in October 2024."

UPDATE ON OPERATIONS AT LECH AND LECH EAST CONCESSIONS, GERMANY

Lech and Lech East Background: Through its German subsidiary Genexco GmbH, MCF Energy has a 20% interest in the Lech Concession (approximately 10 km²), and is carried for the costs of the upcoming Kinsau-1A well up to 5 million euros. Genexco GmbH has a 100% interest in the Lech East Concession (approximately 100 km²). See Figure 3.

Lech Concession Operations Update: On Tuesday March 12th 2024, representatives of RED Drilling, Genexco and MCF met with the Wasserwirtschaftsamt of Bavaria (Water Board of Bavaria) to discuss our upcoming Kinsau-1A reentry of the 1983 Mobil discovery well Kinsau-1. All issues identified by the Water Board were resolved. This was the final approval needed in order to obtain the drilling permit for the Kinsau-1A well located on the Lech Concession. The final drilling permit for Kinsau-1A is anticipated after Germany's Easter holidays, and procurement of a drilling rig is underway.

Drill site preparation of the Kinsau-1A location has begun with clearing of trees, with drill site construction to commence imminently. See Image 2.

Lech Concession- Prior Wells: The Kinsau-1 well drilled by Mobil on the Lech concession block in 1983 was

targeting oil but tested natural gas at 24.7MMcf per day and shut in, probably due to low gas prices at that time. A second well drilled on the block, Kinsau-2 again was looking for oil and was completed in the next deeper horizon at 3228 -3238 metres and tested at approximately 180 BOPD, which probably was not economic at that time.

Kinsau-3 was drilled across a fault boundary and found an Oil/Water contact which flowed some minor oil and gas but almost 1,500 barrels of water per day, evidence that the reservoir has the capability to produce at a high rate. One of MCF Energy's first planned drilling locations on Lech East is on trend and up dip of this well.

See Figure 4 for locations of the three prior Kinsau wells.

Lech East Concession Update: In August 2023 MCF Energy's German subsidiary Genexco GmbH was awarded the Lech East Concession, which is on trend and to the north and east of the Kinsau discovery wells on the Lech Concession. Both blocks were covered by a 160 square kilometre 3D survey which MCF has analyzed using the new AI and machine learning technology.

Calibrating the seismic data to the Kinsau discovery wells, Machine Learning-Artificial Intelligence software identified thirteen similar or identical seismic targets to the discovery made at Lech in Kinsau- see Figure 5. With success, ten additional development wells have also been identified. Although not productive in the existing Kinsau wells, nine additional wells are spotted for the more shallow Baustein-Chatt Formations which have excellent indicators of gas. These zones are gas productive in the region.

Genexco GmbH has just completed negotiations and signed the land access agreement with the landowner for the first location on Lech East and will begin the process to secure a drilling permit this year. Several targets can be reached from this surface location greatly simplifying the permit process for several additional wells.

James Hill, CEO of MCF Energy, said "We appreciate the Bavarian Water Board's initial approval for the Kinshau-1 well drilling. This partner funded well, and our plans for Lech East, represent scalable, low-risk, high-return opportunities for MCF to increase shareholder value in 2024. Thanks to nearby pipeline connections, we have begun discussions with the pipeline company to sell the gas."

"Our work in Germany and our new production concessions in the Czech Republic should come online this year. We will accomplish this by re-drilling Kinshau-1 and getting our Czech wells running again. Our team's capability in identifying optimal targets informs our preparation of a Czech work program. The specifics of this program will be disclosed soon."

Please see MCF's news release dated February 26, 2024 for a description of anticipated operations in the Czech Republic.

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.

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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 Austria. 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 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.

Prospective Resources are 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. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub classified based on project maturity.

Not all exploration projects will result in discoveries. The chance that an exploration project will result in the discovery of petroleum is referred to as the "chance of discovery." Thus, for an undiscovered accumulation, the chance of commerciality is the product of two risk components - the chance of discovery and the chance of development.

Estimates of resources always involve uncertainty, and the degree of uncertainty can vary widely between

accumulations/projects and over the life of a project. Consequently, estimates of resources should generally be quoted as a range according to the level of confidence associated with the estimates. An understanding of statistical concepts and terminology is essential to understanding the confidence associated with resources definitions and categories. These concepts, which apply to all categories of resources, are outlined below. The range of uncertainty of estimated recoverable volumes may be represented by either deterministic scenarios or by a probability distribution. Resources should be provided as low, best, and high estimates as follows:

- Low Estimate and/or 1C in the case of Contingent Resources: This is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
- Best Estimate and/or 2C in the case of Contingent Resources: This is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
- High Estimate and/or 3C in the case of Contingent Resources: This is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

This approach to describing uncertainty may be applied to reserves, contingent resources, and prospective resources. There may be significant risk that sub commercial and undiscovered accumulations will not achieve commercial production, however, it is useful to consider and identify the range of potentially recoverable quantities independently of such risk.

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

MMcf million cubic feet of natural gas

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MMcfe/d million cubic feet equivalent per day

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Km² square kilometers

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