PetroTal Announces Strategic Acquisition of Block 131 in Peru

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Addition of 900 bopd of production effective January 1, 2024 Recoverable reserve estimates up to 4.9 million bbls Significant upside potential from deeper reservoirs

Calgary, May 8, 2024 - PetroTal Corp. (TSX: TAL) (AIM: PTAL) (OTCQX: PTALF) ("PetroTal" or the "Company") is pleased to announce the execution of a definitive agreement (the "Acquisition Agreement") to acquire a 100% working interest in Peru's Block 131, including the producing Los Angeles field, through the acquisition of CEPSA Peruana, S.A.C. ("CEPSA Peru"), which represents the entire Peruvian business unit of Compania Española de Petroleos S.A.U. ("CEPSA"), for a purchase price of approximately \$5.0 million in cash, subject to adjustment as set forth in the Acquisition Agreement (the "Acquisition").

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

"This is PetroTal's first acquisition since entering Peru in late 2017. This transaction marks an important step forward in delivering on our ongoing growth vision. The assets being acquired are synergistic, highly accretive to the Company's current operations and we have immediate plans for development once the transaction is complete. All production from the assets is directed to the Iquitos refinery.

Completion of this acquisition will add approximately 900 bopd to our current 18,500 bopd of Bretana production, with the potential for further upside in the near to medium term. Furthermore, our operational team is assessing the potential upside in the deeper zones of the Los Angeles field, that were previously penetrated but were not tested. Finally, the location of Block 131 is of strategic importance, as it is connected by a 130km highway to the Company's Block 107 prospect. We look forward to announcing further updates on this acquisition process in due course."

The assets to be acquired, pursuant to the Acquisition, (the "Assets") are currently producing approximately 900 barrels of oil per day ("bopd") from four wells previously drilled into the Cretaceous aged Cushabatay sand at the Los Angeles field. With strong aquifer support, these wells are producing with a low base decline profile, high recovery factor, and at a 40-45° API oil quality. The Company's expectation is for near term development and production growth from this block.

Strategic Rationale

Management and the Board of PetroTal believe the Acquisition provides the following strategic attributes:

- Low-cost light oil reserve additions with upside potential.
 - Recoverable reserves estimated between 3.0 and 4.9 million barrels of oil ("bbls");
- Iquitos Refinery capacity synergies. Block 131's light oil production will allow PetroTal to increase the sales capacity of heavier Bretana crude through Iquitos and allow more oil to be sold in dry river conditions; and,
- Netback enhancements. From the combined lighter oil mix sold to Iquitos, lower Brent differentials can potentially be realized.

Operational Strategy

PetroTal's management team have identified three near term low risk operational initiatives at Block 131:

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- Identification of bypassed oil for low risk horizontal well locations drilled high on structure;
- Potential use of hydraulic pumps (vs ESPs) and optimized tubing to reduce operating costs; and,
- Implementation of an operationally straightforward solution to lower chemical costs from treating asphaltene.

Asset Background

Discovered in 2013, CEPSA Peru's assets include the Los Angeles oil field on Block 131 (100% working interest), which are all located onshore Peru. At March 31, 2024 the assets have produced a total of approximately 7.6 million barrels. The assets are held under a concession agreement expiring in 2037 and are subject to a 23.9% royalty rate at field production levels under 5,000 bopd with a similar scaling factor as Block 95 above 5,000 bopd. All the crude oil produced is sold to Petroperu, the State-owned oil company, and transported by barge along the Ucayali River, passing by PetroTal's Bretana oil field, to the refinery in Iquitos.

The Acquisition

Completion of the Acquisition is subject to the satisfaction of certain conditions, including, but not limited to, required regulatory approvals. Closing will occur following the satisfaction of such conditions. The effective date of the Acquisition will be January 1, 2024.

Evercore Group LLC is acting as the exclusive financial advisor to PetroTal with respect to the Acquisition.

Stikeman Elliott LLP is acting as legal counsel to PetroTal with respect to the Acquisition.

Q1 2024 results webcast link for May 9, 2024

PetroTal will host a webcast for its Q1 2024 results and to discuss the Cepsa acquisition on May 9, 2024 at 9am CT (Houston) and 3pm BST (London). Please see the link below to register.

https://stream.brrmedia.co.uk/broadcast/660bc6a92eae5d4dcf2e6319

Qualified Person's Statement

Estuardo Alvarez-Calderon, a consultant to the Company, who has over 35 years of relevant experience in the oil industry, has approved the technical information contained in this announcement. Mr. Alvarez-Calderon received a Bachelor of Science degree in Geology from the University of Texas at Austin and is registered on the Texas Board of Professional Geoscientists.

The recovery and reserve estimates provided in this news release are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may eventually prove to be greater than, or less than, the estimates provided herein.

ABOUT PETROTAL

PetroTal (TSX: TAL) (AIM: PTAL) (OTCQX: PTALF) is a publicly traded, tri‐quoted 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 2022, 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.

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

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READER ADVISORIES

FORWARD-LOOKING STATEMENTS: This press release contains certain forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "guidance", "outlook", "anticipate", "target", "plan", "continue", "intend", "consider", "estimate", "expect", "may", "will", "should", "could" or similar words suggesting future outcomes. More particularly, this press release contains statements concerning: PetroTal's business strategy, objectives, strength and focus; the Acquisition; satisfaction or waiver of the closing conditions to the Acquisition; receipt of required regulatory approvals for the completion of the Acquisition; the purchase price of the Acquisition net closing adjustments; the anticipated benefits of the Acquisition, including the impact of the Acquisition on the Company's operations, reserves, inventory and opportunities, financial condition and overall strategy; expectations with respect to reserves, oil production levels and decline rates related to the Assets following the Acquisition; and development for the Assets, including the ability to replicate prior results.

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 business plan of PetroTal, CEPSA Peru and the Assets; the receipt of all approvals and satisfaction of all conditions to the completion of the Acquisition; the timing of and success of future drilling, development and completion activities; the geological characteristics of PetroTal's properties; the characteristics of the Assets; the successful integration of the Assets into PetroTal's operations; the ability of existing infrastructure to deliver production and the anticipated capital expenditures associated therewith, the ability of government groups to effectively achieve objectives in respect of reducing social conflict and collaborating towards continued investment in the energy sector, reservoir characteristics, recovery factor, exploration upside, prevailing

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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, the 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, future river water levels, 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: counterparty risk to closing the Acquisition; unforeseen difficulties in integrating the Assets into PetroTal's operations; incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs (including the Acquisition); 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, 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; changes in the financial landscape both domestically and abroad, including volatility in the stock market and financial system; and wars (including Russia's war in Ukraine). Please refer to the risk factors identified in the Company's most recent AIF and MD&A which are available on SEDAR+ at www.sedarplus.ca. 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.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") in respect of the Company and the Assets, including prospective results of operations and production and components thereof, including pro forma the completion of the Acquisition, 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 document was approved by management as of the date of this document and was provided for the purpose of providing further information about PetroTal's future business operations. PetroTal and its management believe that FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. PetroTal disclaims any intention or obligation to update or revise any FOFI contained in this document, 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 document should not be used for purposes other than for which it is disclosed herein. Changes in forecast commodity prices, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in PetroTal's guidance. The Company's actual results may differ materially from these estimates.

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

RESERVES DISCLOSURE. All reserves values and ancillary information contained in this press release relating to Assets are derived from the are derived from an independent assessment of reserves attributable to the Assets, which was completed by Netherland Sewell and Associates Inc. ("NSAI"), a qualified independent reserves evaluator as defined in Canadian National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), with an effective date of March 31, 2024 (the "Reserves Report"), and prepared in accordance with the most recent publication of the Canadian Oil and Gas Evaluation Handbook ("COGEH") and the standards established by NI 51-101. Estimates of reserves for individual properties may not reflect the same level of confidence as estimates of reserves for all properties, due to the effect of aggregation. There is no assurance that the forecast price and cost assumptions applied by NSAI in evaluating PetroTal' reserves will be attained and variances could be material.

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Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will 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. Proved 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. Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned. Certain terms used in this press release but not defined are defined in NI 51-101, CSA Staff Notice 51-324 - Revised Glossary to NI 51-101, Revised Glossary to NI 51-101, Standards of Disclosure for Oil and Gas Activities ("CSA Staff Notice 51-324") and/or the COGEH and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101, CSA Staff Notice 51-324 and the COGEH, as the case may be.

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