Hertz Energy Plans "Spin Out" of Uranium Assets to Independent Stand-Alone Company

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Vancouver, June 27, 2024 - Hertz Energy Inc. (CSE: HZ) ("Hertz Energy" or the "Company"). Further to the Company news release of June 4, 2024, Hertz Energy is pleased to announce that after a review by the Company along with its board and advisors, it has made the decision to pursue a reorganization of its Cominco Uranium Project in Nunavut, Canada and its Namibian Uranium Exclusive Prospecting License Applications (the "Uranium Assets") into a stand-alone entity to be named Hertz Uranium (the "Spin-Out").

The Company views the Spin-Out into a stand-alone vehicle as the preferred route to generate value for Hertz Energy and its shareholders from the continued development of the Uranium Assets.

The re-structuring of the Uranium Assets ownership is well advanced, and the Company anticipates being in a position to finalize the terms of the Transaction in the coming months.

Hertz Energy believes that its current share price does not fully recognize the value of the Uranium Assets and that by structuring an appropriate "spin-out" into an independent, uranium focused vehicle, the Company and its shareholders will benefit from unlocking the value of this project. Additionally, this will allow Hertz Energy to concentrate its efforts on advancing its premier lithium projects, AC/DC and Snake Lithium, located in the emerging "lithium district" in James Bay, Quebec, Canada.

Nuclear energy is experiencing a renaissance and uranium prices have had a big year, up over 52% year to date. Uranium is considered the cleanest, most cost-effective and reliable form of 24/7 dispatchable energy. Accordingly, the world's premier uranium deposits are attracting more and more global interest.

HIGHLIGHTS OF THE URANIUM ASSETS

Cominco Uranium Project, Nunavut, Canada

The Cominco Uranium Property ("Cominco Property") is focused on two main historically documented uranium showings of interest, the Pomie and the Yon showings. The Pomie and Yon showings were both explored in the mid 1970s by Cominco and Noranda and no work using modern exploration technologies has taken place since this time.

The Cominco Property claim blocks now cover approximately 5,192 hectares.

Previous regional work in the area by the Geological Survey of Canada (GSC) identified mineral potential for uranium in the area (Roscoe, 1984), based on the presence of the above showings and favourable stratigraphy for the formation of Unconformity Related Uranium (URU) deposits, similar to the stratigraphy found in the Athabasca and Thelon basins.

Figure 1: Map of historical drill hole results on Cominco Property, Nunavut

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The Cominco Uranium Property contains the Pomie showing trenched and drilled by Cominco between 1976 and 1977. Cominco's exploration succeeded in outlining the major structural and petrological aspects of the

Pomie showing. The most significant discovery was the large carbonate breccia body, which trends parallel to a probable fault structure. Two out of seven historical drill holes (PM-3 and PM-7) produced encouraging intersections of fracture-controlled and disseminated mineralization in the basalt flows which graded 2.59 lbs U3O8/ton over 38 ft, and 4.79 lbs U3O8/ton over 43 ft, respectively (see Figure 1 above). Individual historical assays within these intersections ranged from less than 0.1 lbs U3O8/ton up to 42.75 lbs U3O8/ton over 40 inches. All other basalt intersections were less than 0.1 lbs U3O8 per ton over similar widths. See inset map of drill historical drill holes at Mineral Claim 102722.

Based on the results of historical trenching and drilling, it appears that mineralization occurs along fractures in the lower basalt flow, and along the lower faulted contact with the underlying arkoses. Radioactive material is extremely fine-grained and disseminated in a matrix of quartz grains, clay minerals, and minor sulphides (pyrite and chalcopyrite). A sample of finely disseminated mineralization in basalt from Trench #9 assaying 130 lbs U3O8 per ton over 13.0 feet (Wright, 1976) gave essentially the same result. A linear concentration or fracture filling was noted. A scanning electron microscope examination of this radioactive material indicated mainly U with minor Si, Fe and Ca, suggesting that uraninite is the uranium mineral, with minor impurities of quartz, iron oxides, and calcite (Wright, 1976).

Namibian Uranium Exclusive Prospecting License Applications

Hertz Energy has submitted applications for uranium Exclusive Prospecting Licenses ("EPLs") in Namibia (Figure 2). Namibia is a country of diverse geology and has one of the richest uranium mineral reserves in the world. There are currently two large operating mines, the Husab and Rossing mines, in the Erongo Region and five major exploration projects planned to advance to production in the next few years as the country embraces the green energy transition. Uranium mining in Namibia is of considerable importance to the national economy. In 2023, Namibia produced the 3rd largest quantity of uranium worldwide at 6,382 tonnes, ranked only behind Kazakhstan and Australia.

The license application areas cover an area of 9,627.84 hectares located in Central Namibia in the Erongo Region, which hosts numerous primary and secondary uranium deposits. Primary uranium is hosted mainly in sheeted D-type alaskites which occur both as cross-cutting dykes and as bedding and/or foliation-parallel sills. The sheets can amalgamate to form larger granite plutons or granite stockworks made up of closely spaced dykes and sills. The mineralized alaskites tend to occur at marked stratigraphic levels, often associated with the Khan-Rössing Formation boundary, or, where the Rössing Formation is missing, the Khan-Chuos/Arandis Formation boundary. Secondary uranium deposits occur in calcretes in the coastal plain of the Namib Desert. The deposits are associated with ancient river systems that flowed westward from the Great Escarpment during the upper Cretaceous and lower Cenozoic periods. Uranium mineralization is typically located in calcretised fluvial channels which tend to be buried with little or no obvious surface expression to identify them.

Figure 2: License applications in the Erongo Uranium Province of Namibia

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Exclusive Prospecting License Application EPL-10185

EPL-10185 is located 22 km east of the coastal town of Swakopmund. The geology is comprised of units from the Kuiseb, Karibib, Arandis, Chuos and Khan Formations intruded by granodiorites and uranium prospective granites (Figure 3). Most of the western and central parts of the licence is under recent surficial cover made up of sand, gravel, scree, and calcrete. Preliminary interpretation of regional airborne radiometric data from the Namibian Ministry of Mines and Energy indicates radiometric anomalies coinciding with favourable geology for primary alaskite-hosted uranium mineralization. This is the similar style of mineralization found at Bannerman Energy's Etango deposit located 15 km southeast of EPL-10185 as well as that at the Rössing Mine located 30 km to the northeast. The Rössing Mine is one of the largest and longest operating uranium open cast mines in the world producing for the last 46 years. In 2022, Rössing produced 2,659t U3O8 and currently has a feasibility study underway to extend the mine life beyond 2026 (source: Rössing Uranium website - www.rossing.com).

Figure 3: The geology and the airborne radiometric anomaly targets (red) of EPL-10185

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Exclusive Prospecting License Application EPL-10186

EPL-10186 is located 40 km northeast of the coastal town of Swakopmund. Most of the licence application area is covered by recent sand, gravel, scree and calcrete, with a few outcrops of mica schist, calc-silicate rock, marble and red granite (Figure 4). There are two prominent sub-surface water conduits/streams which in general, are believed to be geographically similar to where paleo-channels carrying uranium-rich waters would have flowed. Preliminary interpretation of regional airborne radiometric data from the Namibian Ministry of Mines and Energy indicates a strong and consistent radiometric anomaly trending northeast-southwest and coincident with the subsurface streams. The Company is targeting secondary uranium mineralization with potential for primary mineralization to the east of the application area. This is the similar style of mineralization found at ORANO's Trekkopje Mine 6 kilometres north of EPL-10186 and Elevate Uranium's Marenica deposit 40 km to the north with an existing mineral resource.

Figure 4: The geology and the airborne radiometric anomaly targets (red) of EPL-10186

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The Company expects the EPL applications will be granted by the Namibian Ministry of Mines and Energy in the coming months, and exploration can begin on these uranium properties immediately after the EPLs are granted.

Kal Malhi, CEO of Hertz Energy stated, "We are pleased to be able to begin the process of spinning-out these uranium projects in Canada and Namibia in such a way as to benefit the Company and all of our shareholders.

The Uranium Assets comprise historically documented potential at the Cominco Uranium Property and early-stage exploration potential at our Namibian EPL applications. With the increasing shift to clean energy and concerns around energy security and climate change, we believe uranium can play a large role in the transition to zero-emission base-load electricity generation that the world requires.

We believe our Uranium Assets need to be in a stand-alone public company to be able to fully realize their potential and to provide appropriate value to our shareholders."

PROPOSED "SPIN-OUT" TRANSACTION

The Company anticipates that the Transaction will include the transfer of the Cominco Property and the Namibian EPL's into a stand-alone subsidiary holding the Uranium Assets to be called Hertz Uranium. The consideration for such transfer is expected to be the common shares in the capital of Hertz Uranium.

Hertz Energy then intends to distribute all, or the majority, of such common shares to its existing shareholders on a pro rata basis. The ratio of shares will be determined in the context of the market.

There is no guarantee that a spin out transaction will be consummated, or that the Spin Out will be completed on the terms outlined herein. The Spin-Out represents the current thinking of management and management reserves the rights to alter, amend terms or change the proposed Spin-Out in its sole discretion. It is also anticipated that the Spin-Out will be undertaken by way of a plan of arrangement and there can be no assurances that the arrangement will be completed on the terms outlined herein or at all. The arrangement and the Spin-Out are subject to shareholder, regulatory, and court approval.

Qualified Person Statement

All scientific and technical information contained in this news release was prepared and approved by Paul Ténière, P.Geo., Technical Advisor of Hertz Energy Inc. who is a Qualified Person as defined by NI 43-101.

This news release contains scientific and technical information with respect to adjacent properties to the Company's properties in Nunavut and Namibia, which the Company has no interest in or rights to explore. Readers are cautioned that information regarding the geology and mineralization potential on adjacent properties is not necessarily indicative of the mineralization potential on the Company's properties.

About the Company

The Company is a British Columbia based junior exploration company primarily engaged in the acquisition and exploration of energy metals mineral properties. The Company's lithium exploration projects include the Lucky Mica Lithium Project, the AC/DC Lithium Project, and the Snake Lithium project. The AC/DC Project is 26,500 hectares located in the renowned James Bay Lithium District in Quebec, Canada, just 26 km southeast of the Corvette Lithium Project owned by Patriot Battery Metals and is contiguous to Rio Tinto's Kaanaayaa project claims. The Snake Lithium project consists of 424 contiguous claims totaling approximately 21,700 hectares located east of Patriot Battery Metals Corvette project. The Snake Lithium project is within a similar geological setting to Alkem's James Bay Lithium Project and Nemaska's Whabouchi Lithium project both containing significant lithium mineral resource estimates.

The Company's uranium projects include the Cominco Uranium Project located in Bathurst Inlet, Nunavut, Canada and its recent applications for Exclusive Prospecting Licenses in Namibia.

For further information, please contact Mr. Kal Malhi or view the Company's filings at www.sedarplus.ca.

On Behalf of the Board of Directors

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