

# PetroFrontier Corp. Announces Execution of Definitive Agreements for \$15.1 Million Funding Arrangement

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CALGARY, November 7, 2024 - [PetroFrontier Corp.](#) ("PetroFrontier" or the "Corporation") (TSXV:PFC) is pleased to announce that it has signed the formal agreements for its previously announced funding arrangement with DeerGarden Resources Ltd. (the "Funder"), an arm's-length private energy company incorporated under the laws of Alberta, to optimize development of interests held by the Corporation in the Cold Lake area of Alberta (the "Funding Arrangement").

Pursuant to the Funding Arrangement:

- (a) PetroFrontier assigns all its petroleum and natural gas interests in the Cold Lake area (the "Cold Lake Interests") to an Alberta registered limited partnership (the "Limited Partnership") in exchange for 99% of the units of the Limited Partnership (the "LP Units");
- (b) PetroFrontier and the Funder have entered into definitive transaction agreements to effect the Funding Arrangement including a limited partnership agreement, unanimous shareholder agreement and contribution agreement;
- (c) An Alberta corporation has been formed to act as general partner for the Limited Partnership (the "General Partner") and holds 1% of the LP Units and will operate the Cold Lake Interests following qualification with the Alberta Energy Regulator to hold all applicable licenses associated with the Cold Lake Interests and to manage the business of the Limited Partnership. Pursuant to the Funding Arrangement, the General Partner will be jointly owned by PetroFrontier and the Funder (collectively, the "Parties");
- (d) The Funder will contribute the principal sum of \$14 million to the Limited Partnership in tranches as cash is called by the General Partner for ongoing development activities pertaining to the Cold Lake Interests in 2024 and 2025. The initial development activities include the drilling of two single-leg horizontal wells and workovers of existing wells, all targeting production from the Mannville;
- (e) Upon fulfillment of the \$14 million contribution, LP Units will be held as follows:  
  
General Partner 1%  
PetroFrontier 49.5%  
Funder 49.5%;
- (f) Unless otherwise agreed to by the Parties, distributable income from the Limited Partnership will be paid out quarterly to the Limited Partners on a preferential basis (75/25 in favour of the Funder) until the earlier of the two-year anniversary of initial cash flow from development activities under the Limited Partnership or upon receipt of \$14 million in distributable income by the Funder (and, thereafter, in proportion to the LP Units held by the Parties); and
- (g) The Funding Arrangement also provides for new debt funding from the Funder to PetroFrontier of \$1.1 million to reduce its outstanding accounts payable. The term of the debt funding is for 18 months with an interest rate of 10% per annum.

The closing of the Funding Arrangement is subject to requisite approvals including final approval of the TSX

Venture Exchange (the "Exchange"). There can be no assurance that the Funding Arrangement will be completed as proposed or at all.

#### About PetroFrontier Corp.

PetroFrontier is a junior energy company currently focused on developing two Mannville heavy oil plays in the Cold Lake and Wabasca areas of Alberta.

PetroFrontier's head office is in Calgary, Alberta and its common shares are listed for trading on the Exchange under the symbol "PFC".

#### Forward-Looking Statements

This news release may contain forward-looking information that involves substantial known and unknown risks and uncertainties, most of which are beyond the control of PetroFrontier, including, without limitation, statements pertaining to the closing of the Funding Arrangement, the anticipated benefits of the Funding Arrangement, obtaining all necessary approvals including from the Exchange, and to management's future plans and operations. All statements included herein, other than statements of historical fact, are forward-looking information and such information involves various risks and uncertainties. There can be no assurance that such information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such information. Any forward-looking statements are made as of the date of this news release and, other than as required by applicable securities laws, PetroFrontier does not assume any obligation to update or revise them to reflect new events or circumstances.

Completion of the Funding Arrangement is subject to a number of conditions, including Exchange acceptance and any required shareholder approval. There can be no assurance that the Funding Arrangement will be completed as proposed or at all.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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