Criterium Energy Provides Q4 Preliminary Operating Results and Provides Operational Update

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- Progressed development of the Southeast Mengoepeh gas field, highlighted by Memorandum of Understanding signed with PT BlueEnergy for gas offtake.
- Exited the fourth quarter with December production of 960 bbl/d[1]; January 2025 production to date has averaged 1,020 bbl/d[1].
- Total of 15 workovers completed in 2024 increasing Mengoepeh field production by 65%[1] over Q4 2023.
- Continued cost reductions led to December operating costs equivalent to US$32/bbl[2], a 30% decrease from January 2024.

Calgary, January 20, 2025 - Criterium Energy Ltd. (TSXV: CEQ) ("Criterium" or the "Company"), an independent upstream energy development and production company focused on energizing growth for Southeast Asia today announced preliminary Q4 operating results and provided an update on recent production and development activities in the Company's Indonesian portfolio.

"2024 was a transformative year for Criterium, acquiring and integrating the Mont D'Or assets and team into our operational base," said Matthew Klukas, President and CEO of Criterium Energy. "With a disciplined focus on our workover program we have demonstrated our ability to steadily increase production. Combined with our strict focus on reducing operating costs we are driving meaningful improvement in cash flow from operations. Our focus for the year ahead will be on improving netbacks further while advancing the development of our expanding gas resources, which we expect to have a material impact on our operations sooner than we anticipated. On that front, we have taken a number of steps to advance the Southeast Mengoepeh gas development at a rapid pace, helping to shorten development timelines and provide optionality on egress, all with the goal of monetizing production as quickly as possible."

Selected Q4 2024 Operating and Financial Highlights

- SE-MGH Progress: Achieved significant milestones for the Southeast Mengoepeh gas field ("SE MGH"), including obtaining approval for its development plan under the existing Mengoepeh Plan of Development. Additionally, the company signed a Memorandum of Understanding ("MOU") with PT BlueEnergy for the sale and purchase of natural gas from the field and is exploring the use of Galileo Technologies' MicroLNG technology as a cost-effective solution to liquefy and transport gas, offering an alternative to traditional pipeline infrastructure.
- Increased Production: Achieved average field production in the Tungkal PSC of 957 barrels per day[1] ("bbl/d") in Q4 2024, up from 880 bbl/d in Q3 2024. The increase reflects additional workovers conducted in December and ongoing maintenance which has reduced well downtime. Average daily field production in December 2024 was 960 bbl/d[1], and 1,020 bbl/d[1] thus far in January 2025. Total Company production has grown more than 20% since January 2024.
- Continued workover success: Completed four workovers during the fourth quarter, bringing total workovers for 2024 to 15. These workovers delivered incremental volumes on stream at less than US$2,000 per flowing barrel[3] and to date has seen over 4x payback[3] in aggregate.

- Further reduced operating costs: Q4 2024 operating costs, including G&A and corporate costs, were estimated at US$2.97 million[2] or US$34/bbl, which is a 26% reduction from January 2024 when Criterium acquired the assets. Lower costs were due to implementation of cost control measures and the use of produced natural gas for power generation, reducing diesel purchase and consumption.
- Strong netbacks: Operating netbacks were stable at US$24/bbl[2] in the fourth quarter versus the third quarter of 2024, despite a US$6/bbl drop in oil prices.

Further Progress at Tungkal PSC and the SE MGH Development

Development Plan Approval: In 2024, Criterium completed a technical feasibility study for the development plan of the SE-MGH gas field in the Tungkal PSC and submitted it to the government for inclusion in the existing Mengoepeh Plan of Development, avoiding the need for a standalone plan. The submission was approved in the fourth quarter, reducing the government approvals required to bring gas on stream. Gas development is expected to be a key component of the Company's strategic plan with the potential to add over 1,000 boe/d of production from SE-MGH alone.

MOU with PT Energasindo Heksa Karya (EHK): To support this strategy, Criterium successfully executed an MOU during Q2 2024 with PT Energasindo Heksa Karya ("EHK"), a company owned by Rukun Raharja and Tokyo Gas. Under the agreement, EHK will purchase discovered gas from SE-MGH and the Tungkal PSC.

MOU with PT BlueEnergy and MicroLNG Technology: During the fourth quarter, Criterium signed an MOU with PT BlueEnergy to support the egress of produced natural gas using Galileo Technologies' MicroLNG technology. The Cryobox™ LNG Production Station provides a modular and transportable solution for liquefying natural gas directly at the source. This technology enables efficient on-site gas processing, addressing the challenges of stranded gas by eliminating the need for extensive pipeline infrastructure.

Workover Program

Criterium commenced a program of low-cost, high-return workovers in the oil producing Mengoepeh field ("MGH") in March 2024 and completed a total of 15 workovers during the year targeting existing and new producing intervals. In aggregate the workovers have generated more than US$3 MM incremental cash flow[3] to date from an investment of approximately US$600k. Workovers, especially those targeting the newly discovered GH sand zone, continue to perform above expectations, enabling Criterium to rapidly recycle capital given cash paybacks average less than 30 days per workover. The positive impact of this program is reflected in Criterium's continued growth in production, revenue and financial flexibility. Additional information on the results of each workover is available in the corporate presentation, which can be found on the Company's website.

Drilling/MGH-43 Update

In September 2024, the Company drilled the MGH-43 well which is its first infill well campaign on the Tungkal PSC, focused on untapped areas in the MGH field, targeting multiple pay zones within the Talang Akar Formation (the "TAF"). The fluvial deltaic reservoir within the TAF features on average 20 to 25 metres of net pay, with 10 to 20% porosity and 50 to 100 millidarcies of permeability, reservoir characteristics that are typically associated with higher productivity.

The well intersected multiple reservoir zones in the TAF with good to excellent oil shows. Logging completed on MGH-43 identified prospective producing intervals in the CT, CH, EL, EH, F, and GH intervals. These total an estimated 41m of prospective gross sand interval[3,4] that were perforated in late November 2024. The Company also identified approximately 13m of Net Pay[4] potential gas bearing sands in the Gumai formation (~500-580m MD). The Gumai zone is present throughout the MGH field and has indications of hydrocarbons but has not been tested. The Company is currently evaluating how this discovery could complement the SE MGH gas development.

Based on the work conducted and production observed to date, management believes that there is potential formation damage in selected zones. The Company now intends to take the following steps to help enhance production from the oil bearing zones, confirmed during completion activities, including: (1) acidization to help mitigate potential formation damage; (2) bringing in a saturation measurement tool to understand oil content; and, (3) conducting zonal isolation down hole. Depending on the results of this optimization work management also has the option to test the upper Gumai gas zone, which would tie in with the Company's broader gas strategy for 2025.

Bulu Transaction Update

On September 5th 2024, Criterium received a second US$500,000 non-refundable payment from the buyer of its wholly owned subsidiary which owns a 42.5% non-operated working interest in the Bulu Production Sharing Contract, as originally announced on May 21, 2024. Inclusive of this US$500,000 payment, to date Criterium has received US$1,000,000 of the US$7,750,000 total purchase price consideration for the transaction. Management continues to work with the original buyer to close the transaction, however, the company is also currently evaluating alternatives to unlock value for shareholders including discussions with alternative buyers. The Company intends to provide an update later in the first quarter of 2025.

Outlook

Management currently expects to release its strategic plan and budget for 2025 during the first quarter. Key activities envisioned under the plan are expected to include prioritization of the SE-MGH gas development, leveraging existing infrastructure and unused capacity to minimize costs; and the execution of additional workovers in the MGH field to extend the success of the 2024 workover program.

Stay Connected to Criterium

Shareholders and other interested parties who would like to learn more about the Criterium opportunity are encouraged to visit the Company's website and review a recent corporate presentation, and to follow the Company on X (formerly Twitter) at https://x.com/CriteriumEnergy and on LinkedIn at https://www.linkedin.com/company/criterium-energy/ for ongoing corporate updates and relevant international oil and gas industry information.

About Criterium Energy Ltd.
Criterium Energy Ltd. (TSXV: CEQ) is Canadian-based upstream energy company focused on the consolidation and sustainable development of assets in Southeast Asia that can deliver scalable growth and cash flow generation. This region is expected to house a population approaching 800 million people within the next 25 years, driving world-leading economic growth and record energy demand. With international operating expertise and a local presence, Criterium intends to contribute responsible, safe and secure sources of energy to help meet this demand. The Company is committed to maximizing total shareholder return by executing across three strategic pillars that include (1) fostering a successful and sustainable reputation; (2) leveraging innovation and technology arbitrage; and (3) achieving operational excellence with an unwavering commitment to safety. For further information please visit our website (www.criteriumenergy.com) or contact:

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Notes

[1] Estimate based on field production reports.
[2] Management estimate based on past operating costs and forecasted reductions. Unit costs assume

production profile as per production target which is based on Management Estimates of future workover and infill programs.
[3] Non-IFRS financial measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with calculations of similar measures or ratios for other entities. See "Advisories - Non-IFRS and Other Financial Measures" contained within this press release and in the Company's most recently filed MD&A, available on SEDAR+ at sedarplus.ca.
[4] Management estimate, based on mud log data, well site geological observations, and wireline logging information

Abbreviations

bbls	barrels of oil
bbls/d	barrels of oil per day
MOU	Memorandum of Understanding
MGH	Mengoepeh
SE-MGH	Southeast Mengoepeh
TAF	Talang Akar Formation

Cautionary Note Regarding Forward-Looking Statements

This press release contains certain forward-looking information and statements that are based on expectations, estimates, projections, and interpretations as at the date of this news release. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends", "seek", "aims" and similar expressions are intended to identify forward-looking information or statements.

Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of Criterium's businesses include, among other things: risks and assumptions associated with operations; risks inherent in Criterium's future operations; increases in maintenance, operating or financing costs; the availability and price of labour, equipment and materials; competitive factors, including competition from third parties in the areas in which Criterium intends to operate, pricing pressures and supply and demand in the oil and gas industry; fluctuations in currency and interest rates; inflation; risks of war, hostilities, civil insurrection, pandemics, instability and political and economic conditions in or affecting Indonesia or other countries in which Criterium intends to operate (including the ongoing Russian-Ukrainian conflict); severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to Criterium future business; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals and the maintenance of such approvals; general economic and business conditions and markets; and such other similar risks and uncertainties. The impact of any one assumption, risk, uncertainty or other factor on a forward-looking statement cannot be determined with certainty, as these are interdependent and the Company's future course of action depends on the assessment of all information available at the relevant time. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

With respect to forward-looking statements contained in this press release, Criterium has made assumptions regarding, among other things: future exchange and interest rates; supply of and demand for commodities; inflation; the availability of capital on satisfactory terms; the availability and price of labour and materials; the impact of increasing competition; conditions in general economic and financial markets; access to capital; the receipt and timing of regulatory and other required approvals; the ability of Criterium to implement its business strategies; the continuance of existing and proposed tax regimes; and effects of regulation by governmental agencies.

The forward-looking statements contained in this press release are made as of the date hereof and the parties do not undertake any obligation to update 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.

Non-IFRS and Other Financial Measures

Throughout this press release and other materials disclosed by the Company, Criterium uses certain measures to analyze financial performance, financial position and cash flow. These non-IFRS and other specified financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-IFRS and other specified financial measures should not be considered alternatives to, or more meaningful than, financial measures that are determined in accordance with IFRS as indicators of Criterium's performance. Management believes that the presentation of these non-IFRS and other specified financial measures provides useful information to shareholders and investors in understanding and evaluating the Company's ongoing operating performance, and the measures provide increased transparency and the ability to better analyze Criterium's business performance against prior periods on a comparable basis.

Operating Netback per bbl

Operating netback per bbl equals petroleum sales less royalties and net opex calculated on a per bbl basis. Management considers operating netback per bbl an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/237758