PetroTal Announces Q1 2025 Financial and Operating Results

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Calgary, May 12, 2025 - PetroTal Corp. (TSX: TAL) (AIM: PTAL) (OTCQX: PTALF) ("PetroTal" or the "Company") is pleased to report its financial and operating results for the three months ended March 31, 2025. All amounts herein are in United States dollars unless stated otherwise.

Selected financial and operational information outlined above should be read in conjunction with the Company's unaudited consolidated financial statements and management's discussion and analysis ("MD&A") for the three months ended March 31, 2025, which are available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.PetroTal‐Corp.com.

Key Highlights

- Average Q1 2025 sales and production of 23,286 and 23,281 barrels of oil per day ("bopd"), respectively, both record highs for PetroTal;
- Generated Adjusted EBITDA(1) and Net Income of $71.9 million ($34.29/bbl) and $30.9 million ($14.72/bbl), respectively;
- Free Funds Flow(1) of $48.2 million ($23.02/bbl), PetroTal's second best quarter since inception;
- Capital expenditures of $23.6 million, a substantial QoQ decrease as the Bretana drilling campaign wound down in January;
- Total cash of $113.6 million at end of the period, essentially flat to the prior quarter, and an increase of $28 million compared to the same period last year;
- Arrangement of term loan facility with a syndicate of Peruvian banks, with commitments of up to $65 million;
- Mark to market value of production hedges increased to $14.2 million as of May 7, 2025; and,
- Declared a quarterly dividend of $0.015/sh, payable to shareholders on June 13, 2025.

(1) Non-GAAP (defined below) measure that does not have any standardized meaning prescribed by GAAP and therefore may not be comparable with the calculation of similar measures presented by other entities. See "Selected Financial Measures" section.

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

"PetroTal's first quarter results reflect a strong contribution from our 2024 development drilling program. I am proud of our entire team for delivering another record quarter of production. We have successfully been running near 100% of our transportation and facility capacity and are taking full advantage of high river levels during the ongoing rainy season.

"Our financial results remain strong as well, with PetroTal showing healthy improvements in quarterly EBITDA and free cash flow. Notwithstanding the recent decline in oil pricing, we are continuing with preparations for some important development projects over the remainder of 2025, including erosion control. PetroTal has hedges on approximately 40% of its remaining 2025 production volumes and remains well-capitalized to execute its development program.

"I would like to conclude by assuring investors that PetroTal is prepared to respond to declines in oil pricing by reducing capex and opex as necessary. Balance sheet flexibility and peer leading returns on investment have always been key pillars of the investment thesis for PetroTal. If oil prices remain low as we get closer to resuming our drilling program in the third quarter of 2025, we may consider deferring or cancelling planned activity to better align production growth with a supportive commodity price environment and maximize return on investment for our shareholders. We will update market guidance, as required, at the appropriate time should such a decision be taken. Thank you for your ongoing support."

Selected Financial Highlights

	Three Months Ended					
	Q1-2025		Q4-2024		Q1-2024	
	$/bbl	$(000's)	$/bbl	$(000's)	$/bbl	$(000's)
Average Production (bopd)		23,281		19,142		18,518
Average Sales (bopd)		23,286		19,087		18,347
Total Sales (bbls)		2,095,714		1,756,030		1,669,537
Average Brent Price	$73.96		$73.42		$81.01	
Contracted Sales Price, Gross	$73.89		$73.16		$81.14	
Tariffs, Fees and Differentials	-$21.43		-$21.10		-$20.89	
Realized Sales Price, Net	$52.46		$52.06		$60.25	
Oil Revenue	$52.46	$109,951	$52.06	$91,421	$60.25	$100,583
Royalties	$5.84	$12,241	$7.42	$13,022	$5.69	$9,500
Operating Expenses	$6.31	$13,227	$7.88	$13,843	$5.56	$9,278
Direct Transportation						
Diluent	$0.00	$0	$0.14	$248	$0.94	$1,567
Barging	$0.79	$1,664	$1.94	$3,398	$0.60	$1,005
Diesel	$0.00	$0	$0.00	$0	$0.05	$80
Storage	$0.30	$636	$1.97	$3,452	-$0.27	-$457
Total Transportation	$1.09	$2,300	$4.05	$7,098	$1.32	$2,195
Net Operating Income	$39.22	$82,183	$32.71	$57,458	$47.68	$79,610
Erosion Control	$0.87	$1,816	$5.45	$9,569	$0.00	$0
G&A	$4.57	$9,579	$4.86	$8,534	$4.83	$8,070
EBITDA	$33.78	$70,788	$22.41	$39,355	$42.85	$71,539
Adjusted EBITDA	$34.29	$71,860	$22.87	$40,167	$43.15	$72,048
Net Income	$14.72	$30,852	$12.10	$21,242	$28.52	$47,621
Basic Shares Outstanding ('000)		915,930		911,783		914,104
Market Capitalization		$435,754		$355,595		$511,898
Net Income/Share ($/sh)		$0.03		$0.02		$0.05
Capex		$23,624		$50,589		$30,352
Free Funds Flow	$23.02	$48,236	-$5.93	-$10,422	$24.97	$41,696
Total Cash		$113,565		$114,528		$85,151
Net Surplus		$6,312		-$1,532		$55,522

1. Approximately 88% of Q1 2025 sales were through the Brazilian route vs 89% in Q4 2024.
2. Royalties include the impact of the 2.5% community social trust.
3. Non-GAAP (defined below) measure that does not have any standardized meaning prescribed by GAAP and therefore may not be comparable with the calculation of similar measures presented by other entities. See "Selected Financial Measures" section.
4. Net operating income represents revenues less royalties, operating expenses, and direct transportation.
5. Adjusted EBITDA is net operating income less general and administrative ("G&A") and plus/minus realized derivative impacts.
6. Market capitalization for Q1 2025, Q4 2024 and Q1 2024 assume share prices of $0.475, $0.39, and $0.58 respectively on the last trading day of the quarter.
7. Free funds flow is defined as adjusted EBITDA less capital expenditures. See "Selected Financial Measures" section.
8. Includes restricted cash balances.
9. Net Surplus (Debt) = Total cash + all trade and net VAT receivables + short and long term net derivative balances - total current liabilities - long term debt - non current lease liabilities - net deferred tax - other long term obligations.

Additional financial and operational updates during and subsequent to the quarter ending March 31, 2025:

Block 95 Update

PetroTal produced an average of 22,660 bopd from the Bretana field in Q1 2025, including 23,080 bopd in the month of March, representing record quarterly and monthly highs for the field, respectively. Bretana production averaged 23,050 bopd in the month of April 2025, essentially flat to March, as relatively high river levels have allowed the Company to maximize export capacity during the ongoing rainy season. As previously announced, PetroTal released its third-party drilling rig in March 2025, and does not intend to resume drilling at Bretana until the end of the year. It is expected that production additions from the 2024 development drilling program, supplemented by the H2 2025 development campaign at Block 131, will be sufficient to maintain output throughout the course of the year, and in-line with guidance.

Between December 2024 and April 2025, PetroTal has experienced pump failures in four producing wells at Bretana, out of a total of 24 producing wells in the field. Pump failures occur within the normal course of business, and PetroTal has been happy with the performance of its pumps to date. However, these wells are currently offline as the Company cycles production from newer development wells in the field. PetroTal currently plans to replace the pumps with a workover rig in Q3 2025, which is a budgeted activity within operating expenses. Replacement of the pumps is expected to return approximately 4,000 bopd of production capacity that is currently offline; changes to production capacity are not expected to have any impact on annual production guidance, which currently calls for average oil sales of 21,000-23,000 bopd in 2025.

Block 131 Update

Los Angeles field production averaged 620 bopd in Q1 2025, flat to Q4 2024, and 561 bopd in April 2025 as the field continues to experience natural declines. PetroTal is currently planning to mobilize equipment for a workover program at Los Angeles, where field activity is expected to commence by the end of June. The program, which is expected to run into September 2025, will include acid stimulations and workovers on up to four wells, to open bypassed pay in the producing formation, with a view to increasing field production by a total of approximately 500-1,000 bopd (on a peak monthly average basis). Pending the arrival of PetroTal's new drilling rig in Peru, which is expected to occur in Q3 2025, the Company is planning to conduct a two-well infill drilling program at the Los Angeles field. Each well is expected to take 4-6 weeks to drill and complete; including testing activities and demobilization, the drilling program will likely take until the end of 2025.

Erosion Control Project

PetroTal incurred $1.8 million of erosion control costs in Q1 2025, all of which were expensed as opex, down from $9.6 million in Q4 2024. Construction of steel segments at the project's staging point in Pucallpa had been expected to begin in May; however, record high river levels at the Pucallpa assembly yard have hampered the consortium's ability to mobilize equipment. River levels have been declining since mid-April, and PetroTal now expects both the steel components and jackup to arrive at Bretana by the end of Q2 2025. This represents a delay of approximately one month to the start of piling activities in front of Bretana. PetroTal continues to budget $35-40 million for erosion control in 2025, approximately 75% of which will be expensed through the income statement.

Syndicated Term Loan Agreement

PetroTal has entered into a syndicated term loan facility with two Peruvian banks, with commitments of up to $65 million. The term loan has been established for the purpose of financing PetroTal's ongoing investments in erosion control infrastructure in the vicinity of the Bretana oil field. This is a 4-year amortizing term loan, with a fixed annual interest rate of 8.65%, plus a 1.4% structuring fee payable on execution. The loan includes manageable covenants and does not include any material restrictions on PetroTal's ability to distribute dividends to shareholders. There are no material changes to cost estimates for the erosion control project at this time; PetroTal continues to guide to total project costs of $65-75 million.

Although PetroTal remains well capitalized to execute its 2025 capital program, which includes investments in erosion control infrastructure, the Company has been evaluating alternate means of financing the project. This loan offers advantageous terms compared to other available financing and will support liquidity in the event of further declines in oil prices. This will allow PetroTal to execute both the erosion control project and the Company's ongoing development program without unduly burdening existing cash reserves.

Cash and Liquidity Update

PetroTal ended Q1 2025 with a total cash position of $113.6 million, of which $103 million was unrestricted. The Company's cash position was essentially flat relative to year-end 2024, but has increased substantially from the same period last year (when total and available cash were $85 million and $63 million, respectively).

As previously announced, PetroTal has entered into hedge agreements for the sale of its crude oil, during periods when Brent oil pricing exceeded $80.00/bbl. These hedges consist of costless collars with a Brent floor price of $65.00/bbl and a ceiling of $82.50/bbl, with a cap of $102.50/bbl. As of the end of April 2025, the hedges covered approximately 38% of PetroTal's estimated production through the end of 2025. PetroTal recorded a $1.9 million gain on these hedges as of March 31, although the value of the hedges had increased to $14.2 million as of May 7, due to declines in oil pricing subsequent to the end of the quarter.

Response to Volatility in Oil Pricing

PetroTal's Board of Directors and management team are closely monitoring the recent decline in oil prices. The Company is actively re-evaluating budgeted capital expenditures under lower oil price assumptions and is prepared to cancel or defer activity in the event that oil prices remain at current levels or move lower. However, with minimal field activity planned for Q2 2025, any material changes to the 2025 capital program are unlikely to occur until Q3 2025. As a result, the Company will wait for greater certainty on oil pricing before committing to any formal changes to its Block 131 drilling campaign, and any potential impact on market guidance.

Q2 2025 Dividend Declaration

PetroTal's Board of Directors has declared a quarterly cash dividend of USD$0.015 per common share, payable on June 13, 2025 to shareholders of record on May 30, 2025, with an ex-dividend date of May 30, 2025. This dividend is with respect to Q1 2025 results and includes the recurring USD$0.015 per common share amount but no liquidity sweep this quarter due to a combination of weakening oil prices and anticipated heavier cash requirements over the next two quarters.

The dividend is an eligible dividend for the purposes of the Income Tax Act (Canada) and investors should note that the excess liquidity sweep portion of all future dividends may be subject to fluctuations up or down in accordance with the Company's return of capital policy. Shareholders outside of Canada should contact their respective brokers or registrar agents for the appropriate tax election forms regarding this dividend.

Renewal of Share Buyback Plan

PetroTal intends to renew its normal course issuer bid (the "NCIB"), subject to formal approval by the Company's board and the TSX, when the current plan expires on May 23, 2025. It is expected that Stifel Nicolaus Europe Limited ("Stifel") will conduct the NCIB on PetroTal's behalf. As of May 1, PetroTal had repurchased a total of 20 million shares, since enacting a share buyback policy in Q2 2023.

Corporate Presentation Update

The Company has updated its Corporate Presentation, which is available for download or viewing at www.PetroTal-Corp.com.

Q1 2025 Webcast Link for May 12, 2025

PetroTal's management team will host a webcast to discuss Q1 2025 results on May 12, 2025 at 9am CT

(Houston) and 3pm BST (London). Please see the link below to register.

https://stream.brrmedia.co.uk/PTAL_Q1_2025

ABOUT PETROTAL

PetroTal is a publicly traded, tri‐quoted (TSX: TAL) (AIM: PTAL) (OTCQX: PTALF) 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 the Bretaña Norte 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 Bretaña oil field. It is actively building new initiatives to champion community sensitive energy production, benefiting all stakeholders.

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 statements that may be deemed to be forward-looking statements. Such statements relate to possible future events, including, but not limited to: oil production levels and production capacity; PetroTal's 2025 development program for drilling, completions and other activities, including Block 131; plans and expectations with respect to the erosion control project; and PetroTal's expectations with respect to dividends and share buybacks. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "expect", "plan", "estimate", "potential", "will", "should", "continue", "may", "objective", "intend" and similar expressions. The forward-looking statements provided in this press release are based on management's current belief, based on currently available information, as to the outcome and timing of future events. 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 ability of existing infrastructure to deliver production and the anticipated capital expenditures associated therewith, the ability to obtain and maintain necessary permits and licenses, 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 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. PetroTal cautions that forward-looking statements relating to PetroTal are subject to all of the risks, uncertainties and other factors, which may cause the actual results, performance, capital expenditures or achievements of the Company to differ materially from anticipated future results, performance, capital expenditures or achievement expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements include, but are not limited to, risks associated with 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), business performance, legal and legislative developments including changes in tax laws and 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, credit ratings and risks, fluctuations in interest rates and currency values, changes in the financial landscape both domestically and abroad, including volatility in the stock market and financial system, wars (including Russia's war in Ukraine and the Israeli-Hamas conflict), regulatory developments, 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, changes in the financial landscape both domestically and abroad (including volatility in the stock market and financial system) and the occurrence of weather-related and other natural catastrophes. Readers are cautioned that the foregoing list of factors is not exhaustive. Please refer to the annual information form for the year ended December 31, 2024 and the management's discussion and analysis for the three months ended March 31, 2025 for additional risk factors relating to PetroTal, which can be accessed either on PetroTal's website at www.PetroTal‐Corp.com or under the Company's profile on 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.

OIL REFERENCES: All references to "oil" or "crude oil" production, revenue or sales in this press release mean "heavy crude oil" as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

SHORT TERM RESULTS: References in this press release to peak rates, initial production rates, current production rates, 30-day production rates and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of PetroTal. The Company cautions that such results should be considered to be preliminary.

FOFI DISCLOSURE: This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about PetroTal's prospective results of operations and production results, 2025 drilling program and budget, well investment payback, cash position, liquidity and components thereof, 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 press release was approved by management as of the date of this press release and was included for the purpose of providing further information about PetroTal's anticipated 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 press release, 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 press release should not be used for purposes other than for which it is disclosed herein. All FOFI contained in this press release complies with the requirements of Canadian securities legislation, including NI 51-101. 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.

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