Saturn Oil & Gas Announces Corporate Update Highlighted by Increased 2025 Forecast Production, Reduced Capital Expenditures

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Strategic Tuck-In Activity and Appointment of Independent Board Member, Lynn Peterson

- Year-to-date asset outperformance, opportunistic tuck-in acquisitions and land expansion in southeast Saskatchewan drove capital expenditure reduction and increased 2025 forecast production, with no impact to previously guided leverage metrics
- 2025 exit production forecast at 43,000 to 44,000 boe/d(1), a 12% increase over the midpoint of original annual production guidance of 38,000 to 40,000 boe/d(1), while forecast 2025 annual average production per share increases 8% over previous estimates
- Budgeted development capital expenditures(3) reduced 18% to $245 to $265 million from $300 to $320 million, with year end 2025 forecast leverage ratios remaining as guided at 1.2 to 1.4 times net debt to adjusted EBITDA(3)
- Appointment of Lynn A. Peterson, former Executive Chair of Chord Energy Corp. (NYSE: CHRD), to Saturn's Board of Directors

Saturn Oil & Gas Inc. (TSX: SOIL) (OTCQX: OILSF) ("Saturn" or the "Company"), a light oil-weighted producer focused on unlocking value through the development of assets in Saskatchewan and Alberta, is pleased to announce a corporate update which reflects Saturn's year-to-date operational outperformance, including new drill volumes that have averaged nearly 1,000 boe/d higher than original forecasts; a $50 to $60 million reduction in our 2025 capital expenditure(3) budget; the pro-forma impact of tuck-in acquisition activity; and the expansion of our Saskatchewan land base, supporting further open hole multi-lateral ("OHML") development in the Bakken. In addition, Saturn is pleased to announce the appointment of Mr. Lynn A. Peterson to the Company's Board of Directors as its newest independent member.

"Our ability to enhance the Company's asset base and deliver higher production, increase our development inventory, and improve our per share metrics is a testament to the strength of our blueprint strategy and our disciplined execution," said John Jeffrey, CEO of Saturn. "Given prevailing uncertainty around commodity prices, we elected to curtail some of our drilling activity and instead further consolidate in our core areas at attractive valuation metrics. Not only does shifting capital to accretive tuck-in acquisitions extend our development runway for the future, it allows Saturn to preserve the value of our existing inventory when oil prices are depressed, offering a superior potential return on invested capital."

CORPORATE UPDATE

Subsequent to Q2/25, Saturn identified opportunities to purchase lower-decline base production at attractive acquisition metrics, offering better capital efficiencies and higher volumes than we would anticipate realizing from drilling in the current commodity price environment. This drove our decision to reduce budgeted development capital expenditures ("Capex") and reallocate that capital to completing or executing on approximately $85 million of strategic tuck-in acquisitions within our existing southeast Saskatchewan and Central Alberta core areas (the "Tuck-Ins").

As a result of our year-to-date drilling outperformance, core-up acquisition strategy and capital expenditure reallocation, Saturn anticipates the following:

- Exit 2025 production is forecast to increase to 43,000 to 44,000 boe/d[1], approximately 12% higher at midpoint than our original 38,000 to 40,000 boe/d guidance[1], while 2025 annual average volumes are anticipated to increase 8% to 41,000 to 43,000[1]. Volume increases are underscored by drilling and asset outperformance, plus the impact of our strategic Tuck-Ins.
  - On a per share basis, Saturn is forecasting an 8% increase in annual average production per share and a 9% increase in forecast exit production per share over previous estimates.
- Budgeted Capex[3] has been reduced by approximately $50 to $60 million, resulting in updated Capex[3] guidance of $245 to $265 million, or 18% lower than the original $300 to $320 million.
  - Acquired production from the Tuck-Ins will total approximately 5,400 boe/d[1], weighted approximately 65% to oil and liquids, resulting in average production addition costs of $15,900 per flowing barrel.
  - In addition to the immediate benefit of incremental volumes, the Tuck-Ins expand our drilling inventory with 145 gross (125 net) identified OHML Midale / Torquay locations[4] in southeast Saskatchewan that can compete with our current top-tier inventory.
- Forecast year-end net debt leverage metrics remain unchanged from previous guidance at 1.2 to 1.4 times net debt to adjusted EBITDA[3], showcasing the Company's commitment to maintaining balance sheet strength. Saturn continues to target a net debt to adjusted EBITDA ratio[3] approximating 1.0 times by year end 2026.
- Saturn's 2025 net operating expenses per boe[3] are forecast to decline by approximately 3% relative to original guidance to a range of $19.50 to $20.00 per boe, compared to original guidance of $20.00 to $20.60 per boe.
  - Existing estimates for all other 2025 per boe expenses remain unchanged, with royalties as a percentage of gross petroleum and natural gas sales[3] maintained at 12.0% to 12.5%; transportation expense at $1.45 to $1.60 per boe, and general and administrative expenses at $1.45 to $1.60 per boe.

2025 Capex and Production Update	Updated Forecast	Original Guidance (Dec. 14, 2024)	% Change
Development capital expenditures[3] ($millions)	$245 - $265	$300 - $320	(18%)
Average annual production[1] (boe/d)	41,000 - 43,000	38,000 - 40,000	8%
Forecast 2025 exit production[1] (boe/d)	43,000 - 44,000	39,500 - 40,500[5]	9%
Oil weighting (%)	~74%	~77%	(4%)
NGL weighting (%)	~8%	~8%	-
Natural gas weighting (%)	~18%	~15%	20%
Net debt to Adjusted EBITDA[3] (times)	1.2 - 1.4x	1.2 - 1.4x	-

APPOINTMENT OF INDEPENDENT BOARD MEMBER

Saturn is pleased to announce the appointment of Mr. Lynn A. Peterson to our Board of Directors, bolstering the Board's independence and broadening its oil and gas expertise. Mr. Peterson brings over 40 years of energy industry experience and extensive senior leadership, governance and operational expertise to the Board. Most recently, he was the Executive Chair of Chord Energy Corporation (NYSE: CHRD), a premier Williston Basin operator formed in 2022 through the US$6.0 billion merger of Whiting Petroleum Corp. ("Whiting") and Oasis Petroleum Inc. Prior thereto, Mr. Peterson served as the CEO of Whiting from 2020 until 2022 and was CEO and Chair of SRC Energy before its US$1.7 billion acquisition by PDC Energy. Mr. Peterson was a co-founder, Chair and the President & CEO of Kodiak Oil & Gas from 2001 to 2014, until its US$6.0 billion acquisition by Whiting. He graduated from the University of Northern Colorado with a Bachelor of Science in Accounting. In concert with the appointment of Mr. Peterson as an independent director, Mr. Grant MacKenzie will resign as a Board member and assume the role of Corporate Secretary, in addition to continuing his role as Chief Legal Officer of the Company.

"We are very proud to welcome Lynn Peterson to our Board of Directors given his extensive oil and gas experience, particularly in the Williston Basin, and a background in guiding strategy," said John Jeffrey, Saturn's CEO. "We believe he will be invaluable to help Saturn navigate the next phases of our evolution with a deep understanding of growth-oriented companies, capital discipline and strong governance, all of which will further strengthen Saturn's long-term operational and financial sustainability."

OPERATIONAL EXCELLENCE AND STRATEGIC TUCK-IN ACQUISITIONS

Saturn's first-half 2025 drilling program outperformed expectations with results exceeding internal type curve [2] estimates by over 20%, driving strong production volumes that averaged approximately 1,000 boe/d ahead of guidance. This performance was reflected by the inclusion of several wells within the top ranked wells in the Bakken and Viking in Saskatchewan and the Alberta Cardium through the spring, according to multiple third-party data sources.

In Saskatchewan, our OHML development program continues to realize highly efficient resource recovery with strong capital efficiencies. One example is our Viewfield 15-21 well, a two-mile, eight leg OHML well that was among the top three best-performing Saskatchewan liquids wells earlier in 2025, having an IP30 of 331 boe/d[2]. Consistent with our blueprint strategy, we took the learnings and success realized in the OHML Bakken program and applied it to the Spearfish, which is delivering strong rates, driving higher recoveries per well and supporting our plans for continued OHML development across other plays in our portfolio.

In the Alberta Cardium, extending lateral length combined with more effective stimulation has enabled Saturn to continue improving our capital efficiencies and increasing rates of return in this area. The Company recently completed a three-well pad in the Kaybob Montney, featuring 3-mile extended reach laterals using a walking rig to further enhance efficiencies. These wells are the longest laterals on record to be drilled in that area, and will use a hybrid, multi-system completion approach which has been successfully deployed in our Cardium drilling program at Lochend. Saturn anticipates bringing these wells on-stream in early October, 2025.

Highlights of the Tuck-Ins

In addition to prioritizing net debt reduction, Saturn remains focused on increasing production per share through a combination of share buybacks and pursuing tuck-in acquisitions. We target assets that allow the Company to 'core-up' within existing operating areas where we have development success, and can leverage our size, scale and extensive infrastructure to optimize production, reduce costs and enhance the performance of the acquired assets. Over the past several weeks, the Company has advanced or closed the aforementioned Tuck-Ins approximating $85 million, prudently reallocating capital from the existing Capex program, along with cash on the balance sheet, to expand assets within our two largest core operating areas of southeast Saskatchewan and Central Alberta.

Consistent with our blueprint strategy, in early August, we acquired an asset package that fits neatly within our southeast Saskatchewan area, provides meaningful OHML development potential in the Midale and Torquay, and includes an estimated 255 gross company identified locations (217 net)[4]. This acquisition features high working interest, further optimization and cost reduction potential, along with extensive infrastructure offering continued facility and battery consolidation opportunities.

In the latter part of August, we also entered into an agreement for the corporate acquisition of an Alberta-based company. In addition to current production, this acquisition includes more than 83 gross (73 net) internally identified locations[4] prospective for Cardium, Glauconite and Bluesky development situated in the Company's Greater Pembina region of Alberta. Saturn anticipates this Alberta acquisition will close in mid-October.

Saskatchewan Land Acquisition

In August, Saturn invested $17.5 million to acquire land in the Viewfield Bakken in southeast Saskatchewan, representing approximately 5,100 hectares. The acquired land package opens up over 60 gross (60 net) additional identified OHML drilling locations[4] that can support the Company's future growth, representing more than five years of high-return development inventory, plus additional synergy capture given existing operations in the area.

NOTES

[1] See reader advisory: Supplemental Information Regarding Product Types.
[2] See reader advisory: Type Curves and Initial Production.
[3] See reader advisory: Non-GAAP and Other Financial Measures.
[4] See reader advisory: Drilling Locations.
[5] Forecast 2025 exit production was not included in the Company's December 2024 guidance; prior internal estimates are presented in the 'Original Guidance' column for comparative purposes.

ABOUT SATURN

Saturn is a returns-driven Canadian energy company focused on the efficient, responsible and innovative development of high-quality, light oil weighted assets, supported by an acquisition strategy targeting accretive and complementary opportunities. The Company's portfolio of free-cash flowing, low-decline operated assets in Saskatchewan and Alberta provide a deep inventory of long-term economic drilling opportunities across multiple zones. With an unwavering commitment to building an entrepreneurial focused culture, Saturn's goal is to increase per share reserves, production and cash flow at an attractive return on invested capital. The Company's shares are listed for trading on the TSX under ticker 'SOIL', and on the OTCQX under the ticker 'OILSF'. Further information and our corporate presentation are available on Saturn's website at www.saturnoil.com.

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READER ADVISORIES

Non-GAAP and Other Financial Measures

Throughout this news release and in other materials disclosed by the Company, Saturn employs certain measures to analyze financial performance, financial position and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures provided by other entities. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss), cash flow from operating activities, and cash flow used in investing activities, as indicators of Saturn's performance.

The disclosure under the section "Non-GAAP and Other Financial Measures" including non-GAAP financial measures and ratios, capital management measures and supplementary financial measures in the Company's condensed consolidated interim Financial Statements and MD&A are incorporated by reference into this news release.

This news release uses the term "capital expenditures" which is a non-GAAP financial measure. This non-GAAP financial measure is not a standardized financial measure under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See the disclosure under the section "Non-GAAP Financial Measures and Ratios" in our MD&A for the three and six months ended June 30, 2025, for an explanation of the composition of this measure and how this measure provide useful information to an investor, and the additional purposes, if any, for which management uses this measure.

Capital Expenditures

Saturn uses development capital expenditures to monitor its capital investments relative to those budgeted by the Company on an annual basis. Saturn's capital budget excludes acquisition and disposition activities as well as the accounting impact of any accrual changes or payments under certain lease arrangements. Development capital expenditures in this press release are calculated as expenditures on exploration and evaluation assets, property plant and equipment and excludes the impact of capitalized administrative costs.

Net Debt

Net Debt is a key capital management measure as it is used to assess the ongoing liquidity of the Company. Net Debt is calculated as the carrying value of our senior notes, less adjusted working capital including cash. The Company closely monitors its capital structure with a goal of maintaining a strong balance sheet to fund the future growth of the Company.

Net Debt to Adjusted EBITDA

Management considers Net Debt to Adjusted EBITDA an important measure as it is a key metric to identify the Company's ability to fund financing expenses, Net Debt reductions and other obligations. When this measure is presented quarterly, Adjusted EBITDA is annualized by multiplying by four. When this measure is presented on a trailing twelve-month basis, Adjusted EBITDA for the twelve months preceding the Net Debt date is used in the calculation. Net Debt to Adjusted EBITDA is calculated as Net Debt divided by annualized Adjusted EBITDA.

Royalties as a Percentage of Gross Petroleum and Natural Gas Sales

Royalties as a percentage of gross petroleum and natural gas sales is calculated as royalties divided by gross petroleum and natural gas sales. This metric is used by management to quantify the Company's royalty costs as they relate to revenue before deducting certain processing expenses and to better analyze how royalty rates change over time and compare to prior periods.

Net Operating Expenses

Net operating expense is calculated by deducting processing income primarily generated by processing third party production at processing facilities where the Company has an ownership interest, from operating expenses presented on the statement of income (loss). Where the Company has excess capacity at one of its facilities, it will process third-party volumes to reduce the cost of ownership in the facility. The Company's primary business activities are not that of a midstream entity whose activities are focused on earning processing and other infrastructure-based revenues, and as such third-party processing revenue is netted against operating expenses in the MD&A. This metric is used by management to evaluate the Company's net operating expenses on a unit of production basis. Net operating expense per boe is a non-GAAP financial ratio and is calculated as net operating expense divided by total barrels of oil equivalent produced over a specific period of time. The calculation of the Company's net operating expenses is shown within the net operating expenses section of the MD&A.

Capital Management Measures

National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure ("NI 52-112") defines a capital management measure as a financial measure that: (i) is intended to enable an individual to evaluate an entity's objectives, policies and processes for managing the entity's capital; (ii) is not a component of a line item disclosed in the primary financial statements of the entity; (iii) is disclosed in the notes to the financial statements of the entity; and (iv) is not disclosed in the primary financial statements of the entity. Please refer to note 13 "Capital Management" in Saturn's Financial Statements for the three and six months ended June 30, 2025, for additional disclosure on: net debt, adjusted EBITDA, adjusted funds flow, net debt to adjusted EBITDA, and free funds flow, each of which are capital management measures used by the Company in this news release.

Supplementary Financial Measures

NI 52‐112 defines a supplementary financial measure as a financial measure that: (i) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity; (ii) is not disclosed in the financial statements of the entity; (iii) is not a non‐GAAP financial measure; and (iv) is not a non‐GAAP ratio. The supplementary financial measures used in this news release are either a per unit disclosure of a corresponding GAAP measure, or a component of a corresponding GAAP measure, presented in the financial statements. Supplementary financial measures that are disclosed on a per unit basis are calculated by dividing the aggregate GAAP measure (or component thereof) by the applicable unit for the period. Supplementary financial measures that are disclosed on a component basis of a corresponding GAAP measure are a granular representation of a financial statement line item and are determined in accordance with GAAP.

Type Curve and Initial Production

Certain type curve disclosure presented herein represents estimates of the production decline and ultimate volumes expected to be recovered over time. "Results Projected" are based on a forward estimate of ultimate volumes to be recovered over time based on the initial 30 days average production data. References in this press release to IP rates, other short-term production rates or initial performance measures relating to new wells 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 Saturn's aggregate production. Accordingly, Saturn cautions that the test results should be considered to be preliminary.

Drilling Locations

Southeast Saskatchewan Acquired Assets: The 255 gross and (217 net) identified drilling locations, and the 145 gross (125 net) identified OHML Midale / Torquay locations disclosed in this news release represent the internal estimates of Saturn's management based on the acquired assets' prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review.

Central Alberta Acquired Assets: The 83 gross (73 net) identified drilling locations disclosed in this news release represent the internal estimates of Saturn's management based on the acquired assets' prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review.

Southeast Saskatchewan Land Acquisition: The 60 gross (60 net) identified drilling locations disclosed in this news release represent the internal estimates of Saturn's management based on the acquired assets' prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review.

Drilling locations have been identified by Saturn's management as an estimation of Saturn's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Saturn will drill all locations and if drilled there is no certainty that such locations will result in additional oil and natural gas reserves, resources or production. The drilling locations on which Saturn will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors.

Supplemental Information Regarding Product Types

References to gas or natural gas and NGLs in this press release refer to conventional natural gas and natural gas liquids product types, respectively, as defined in National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities, except where specifically noted otherwise.

- Updated 2025 average production at the midpoint of the guidance range is anticipated to be comprised of approximately 66% light and medium crude oil, 8% heavy oil, 9% NGLs and 18% natural gas.

- Targeted 2025 updated exit production is anticipated to be comprised of approximately 65% light and medium crude oil, 7% heavy oil, 9% NGLs and 19% natural gas.
- Original 2025 average production at the midpoint of the guidance range was anticipated to be comprised of approximately 77% light and medium crude oil and NGLs, 8% heavy oil and 15% natural gas.
- Original targeted 2025 exit production was anticipated to be comprised of approximately 75% light and medium crude oil and NGLs, 8% heavy oil and 17% natural gas.

Boe Presentation

Boe means barrel of oil equivalent. All boe conversions in this news release are derived by converting gas to oil at the ratio of six thousand cubic feet ("Mcf") of natural gas to one barrel ("Bbl") of oil. Boe may be misleading, particularly if used in isolation. A Boe conversion rate of 1 Bbl : 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio of oil compared to natural gas based on currently prevailing prices is significantly different than the energy equivalency ratio of 1 Bbl: 6 Mcf, utilizing a conversion ratio of 1 Bbl : 6 Mcf may be misleading as an indication of value.

Forward-Looking Information and Statements

Certain information included in this news release constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project", "will" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this news release may include, but is not limited to, statements concerning: satisfaction or waiver of the closing conditions with respect to the acquisitions; expectations regarding future Capex and funds flow; expected number of future drilling locations related to the acquired assets; the strength and sustainability of the Company's asset base and expertise of its personnel; expected returns from OHML drilling programs; anticipated production levels; decline rates; drilling locations; future operational and technical synergies resulting from the acquisitions; debt repayment schedule and our target leverage ratios and timing; cost saving opportunities in respect of the acquisitions; the Company's intention to provide updated guidance and capital and development plans, including the timing thereof; the terms and conditions of the proposed transaction; management's ability to replicate past performance; future negotiation of contracts; future consolidation opportunities and acquisition targets; the business plan, cost model and strategy of the Company; future cash flows; and future commodities prices.

The forward-looking statements contained in this news release are based on certain key expectations and assumptions made by Saturn, including expectations and assumptions concerning the receipt of all approvals and satisfaction of all conditions to the completion of the acquisitions, the timing of and success of future drilling, development and completion activities, the performance of existing wells, the performance of new wells, the availability and performance of facilities and pipelines, the geological characteristics of Saturn's properties, the characteristics of the acquired asset, the successful integration of the acquired assets into Saturn operations, the successful application of drilling, completion and seismic technology, prevailing weather conditions, prevailing legislation affecting the oil and gas industry, commodity prices, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services, the creditworthiness of industry partners and the ability to source and complete asset acquisitions.

Although Saturn 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 Saturn 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 the oil and gas industry in general (e.g., operational risks in development, exploration and production; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), constraint in the availability of services, commodity price and exchange rate fluctuations, actions of OPEC and OPEC+ members, changes in legislation impacting the oil and gas industry, adverse weather or break-up conditions and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. These and other risks are set out in more detail in Saturn's Annual Information Form for the year ended December 31, 2024, available on SEDAR+ at sedarplus.ca.

Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. Although Saturn believes that the expectations reflected in its forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because Saturn can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this news release, assumptions have been made regarding and are implicit in, among other things, the timely receipt of any required regulatory approvals and the satisfaction of all conditions to the completion of the acquisitions. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

The forward-looking information contained in this news release is made as of the date hereof and Saturn undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.