

# Lotus Creek Exploration Inc. Announces Fourth Quarter 2025 Operating Results, Year-End Reserves Summary and Operational Update

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Calgary, March 4, 2026 - [Lotus Creek Exploration Inc.](#) (TSXV: LTC) ("Lotus Creek" or the "Company") is pleased to provide the following fourth quarter operating and financial results and a summary of the year-end independent evaluation of the Company's reserves. Lotus Creek's Audited Consolidated Financial Statements and related Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2025 are available for review on Lotus Creek's website at [www.lotuscreek.ca](http://www.lotuscreek.ca) and on Lotus Creek's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

## MESSAGE TO SHAREHOLDERS

Dear Shareholders,

As we reflect on 2025 and enter the second quarter of 2026, I am pleased to report on a transformational year for Lotus Creek. Our team executed on a focused strategy, strengthened our asset base, accelerated production growth, and demonstrated the powerful economics embedded within our portfolio, all while maintaining our commitment to balance sheet strength.

## Who We Are

Lotus Creek is a growth-oriented light oil company built on two founding principles:

1. Drill highly profitable wells, and
2. Maintain a strong balance sheet.

Our business model is straightforward: deliver highly profitable growth per share that is transparent and visible in our financial statements. We operate with discipline, technical rigor, and a long-term ownership mindset.

## 2025: Building the Foundation for Scalable Growth

### Continued Land Consolidation

During the year, we continued consolidating lands across one of the basin's highest-return plays. This expanded footprint strengthens our development runway and enhances capital efficiency as we scale.

### Modern 3D Seismic Program

We shot a new 44 square mile 3D seismic program, confirming a deep inventory of drilling locations. The data materially de-risked our stacked Belly River opportunity and provides technical confidence for years of repeatable development.

### Strategic Infrastructure Investment

We constructed a 5,000 boe per day battery with an expandable design, establishing critical infrastructure that forms the backbone of future production growth. This proactive investment increases operational control, lowers future tie-in costs, and positions the Company for scalable development.

### Executing the Belly River Program

In 2025, we drilled our first four Belly River wells in Wilson Creek, successfully testing three of the six light-oil-charged Belly River sands that are densely stacked beneath our 3D seismic footprint.

### Strong Operational and Financial Results

The four-well program exceeded expectations:

- Fourth quarter 2025 production averaged 3,391 boe per day, up from 1,425 boe per day in the third quarter of 2025.
- Adjusted funds from operations expanded to \$7.9 million, up from \$1.9 million in the third quarter, despite WTI oil prices declining more than US\$5 per bbl quarter over quarter. Cash flow from operating activities was \$5.5 million in the fourth quarter compared to \$6.7 million in the third quarter.

As of the end of February 2026, the four wells have collectively produced approximately:

- 200,000 bbls of light oil
- 550,000 mcf of natural gas
- 70,000 bbls of NGLs

Within the \$15.5 million drilling and completion capital program, three of the four wells have already achieved payout, demonstrating the powerful economics and repeatability of our inventory.

### Spotlight Well: 104/06-26-042-05W5

Of particular note, the 104/06-26-042-05W5 well, which was brought on production November 18, 2025, has delivered exceptional results in the first 100 days producing approximately:

- 55,000 bbls of light oil
- 57,000 mcf of gas
- 8,000 bbls of NGLs

The well has continued to improve through optimization efforts achieving:

- January 2026 average production: approximately 585 boe per day, 92% liquids (approximately 500 bbls per day light oil, 250 mcf per day gas and 40 bbls per day NGLs)
- February 2026 average production: approximately 1,200 boe per day, 88% liquids (approximately 850 bbls per day light oil, 850 mcf per day gas and 200 bbls per day NGLs)

This performance highlights the quality of the reservoir and the strength of our operational and technical teams.

### 2026 Program and Accelerated Momentum

In December, we announced a disciplined 2026 capital plan based on US\$57 per bbl WTI, featuring a back-half-weighted six-well program with two wells scheduled for the first quarter of 2026.

Stronger oil prices in January and February allowed us to expand our hedge position, locking in returns from the 2025 drilling program and reducing cash flow exposure to commodity volatility. Efficient execution on the first two wells supported increasing first quarter activity from two wells to three.

As a result of this accelerated activity, we have increased 2026 annual production guidance from 3,400-3,800 boe per day to 3,600-4,000 boe per day.

### Our Commitment Going Forward

We will continue to be responsive and opportunistic in navigating both internal and external factors. As we move through the second quarter, we will closely monitor progress toward our 2026 objectives and keep shareholders informed as plans evolve. We are committed to transparency and will continue providing monthly operational and financial updates throughout 2026, ensuring shareholders can clearly track our performance.

### Acknowledgment

I would like to congratulate and thank the entire Lotus Creek team for their extraordinary efforts throughout 2025 and into early 2026. The results achieved reflect disciplined execution, technical excellence, and a commitment to driving shareholder value.

### Closing Thoughts

The 2025 four-well program has unlocked significant value for Lotus Creek shareholders. It demonstrates not only compelling single-well economics, but also the repeatability and scalability of our inventory.

We are building a company designed to endure: grounded in capital discipline, operational excellence, and a relentless focus on per-share value creation.

Thank you for your continued trust and support.

Sincerely,  
Kevin Johnson  
President & CEO  
Lotus Creek Exploration Inc.

### ANNUAL HIGHLIGHTS

- Delivered average production of 2,064 boe per day for 2025 comprised of 1,242 bbls per day of crude oil, 342 bbls per day of NGLs and 2,879 mcf per day of natural gas. Production was backend weighted with fourth quarter production of 3,391 boe per day.
- Adjusted funds from operations ("adjusted FFO") for 2025 were \$13.5 million (\$19.87 per boe), inclusive of adjusted FFO for the fourth quarter of 2025 of \$7.9 million (\$25.39 per boe). Cash flow from operating activities for 2025 was \$12.8 million (\$18.81 per boe), inclusive of cash flow from operating activities for the fourth quarter of 2025 of \$5.5 million (\$17.71 per boe). See "Non-GAAP and Other Financial Measures" in this press release.

- Lotus Creek invested a total of \$43.1 million of capital which included the successful drilling activity in Wilson Creek, a 44 square mile 3D seismic program in Central Alberta and the construction of a new satellite facility and oil battery with an approximate capacity of 5,000 boe per day in Wilson Creek. This foundational key investment in capital will allow the Company to drive ongoing value creation into 2026.
- Maintained a strong balance with exit net debt as at December 31, 2025 of \$9.8 million and a net debt to quarterly annualized funds from operations of 0.3 times.
- The Company generated net income of \$1.8 million (\$0.05 per basic and diluted share) in its first year of commercial operations.

## QUARTERLY HIGHLIGHTS

- Average production for the fourth quarter of 2025 was 3,391 boe per day comprised of 2,055 bbls per day of crude oil, 634 bbls per day of NGLs and 4,213 mcf per day of natural gas.
- During the fourth quarter of 2025, the Company drilled and completed 2.0 gross (2.0 net) light oil Belly River wells in Wilson Creek. From December 1, 2025 to February 28, 2026, combined, the wells have averaged over 1,250 boe per day of estimated production (comprised of 84 per cent light oil and NGLs). One of those wells was optimized in February and averaged approximately 1,200 boe per day of estimated production in February, inclusive of approximately 850 bbls per day of crude oil.
- Adjusted FFO for the fourth quarter of 2025 were \$7.9 million (\$25.39 per boe) as compared to \$1.9 million (\$14.85 per boe) for the third quarter of 2025, a 307 per cent increase. Cash flow from operating activities for the fourth quarter of 2025 was \$5.5 million (\$17.71 per boe) as compared to \$6.7 million (\$50.82 per boe) for the third quarter of 2025.
- Lotus Creek invested a total of \$11.2 million of capital during the fourth quarter, which included \$7.5 million for successful drilling and completion activity in Wilson Creek, \$2.6 million for facilities inclusive of the construction of the new satellite facility and \$0.7 million to settle decommissioning liabilities.
- During the fourth quarter, the Company amended its credit facilities with ATB Financial with an increase in the borrowing base from \$35.0 million to \$40.0 million. The Company is expected to have ample liquidity through its credit facilities.

## OPERATIONAL UPDATE

- In February 2026, Lotus Creek successfully completed its first quarter 2026 Belly River drilling program in Wilson Creek. The Company drilled 3.0 gross (2.9 net) light oil Belly River wells. The Company anticipates production from the 3.0 gross (2.9 net) light oil Belly River wells in Wilson Creek will commence in the month of March.
- As a result of stronger commodity prices and the Company's ability to take advantage of operational synergies, the Company accelerated the 2026 drilling program and drilled 1.0 gross (0.9 net) well in the first quarter of 2026, that was originally budgeted to be drilled in the second half of 2026 in Wilson Creek.

## 2025 ACTUALS VERSUS 2025 GUIDANCE

The following table shows the Company's actual results in 2025 relative to the Company's published guidance for 2025:

	2025 Fiscal Guidance	2025 Actuals
Annual production (boe/d)	2,000 - 2,400	2,064
Q4 average production (boe/d)	3,000 - 3,400	3,391
Capital and abandonment expenditures (\$ millions)	43.0	43.1
Crude oil and NGLs weighting (%) <sup>(1)</sup> <sup>(2)</sup>	78	77
Natural gas weighting (%)	22	23
Royalty rate (%)	12 - 13	12

Operating and transportation costs (\$/boe)	21.00 - 22.00	21.41
General and administrative expense (\$/boe)	6.50 - 7.00	7.83
Interest income and interest and financing charges (\$/boe)	0.50 - 1.00	0.73

(1) Light oil and NGLs weighting was 75 percent and 76 percent for 2025 guidance and 2025 actuals, respectively.

(2) Heavy oil weighting was 3 percent and 1 percent for 2025 fiscal guidance and 2025 actuals, respectively.

## 2026 GUIDANCE

In December 2025, Lotus Creek announced the approved 2026 budget. As a result of stronger commodity prices and the Company's ability to take advantage of operational synergies, the Company accelerated the 2026 drilling program and drilled 1.0 gross (0.9 net) well in February that was originally budgeted to be drilled in the second half of 2026. In total, the Company has drilled 3.0 gross (2.9 net) wells in the first quarter of 2026. The Company has revised its 2026 annual production guidance upward due to accelerated capital deployment and continued outperformance of the 2025 Wilson Creek wells relative to the expected production type curve. The full-year 2026 budget advances a strategy of disciplined, profitable per-share growth while maintaining financial resilience in a lower oil price environment. The Company intends to direct capital to its highest-value projects at Wilson Creek, ensuring every dollar deployed drives meaningful value creation. This strategy also further leverages the benefit of key foundational investments in 2025, including the 3D seismic program and the new Wilson Creek oil battery constructed in 2025.

	2026 Revised Guidance	2026 Original Guidance <sup>(1)</sup>
Annual production (boe/d)	3,600 - 4,000	3,400 - 3,800
Q4 average production (boe/d)	3,800 - 4,200	3,800 - 4,200
Capital and abandonment expenditures (\$ millions)	42.0	42.0
Crude oil and NGLs weighting (%)	77	77
Natural gas weighting (%)	23	23

(1) 2026 Original Guidance issued in press release of the Company dated December 10, 2025.

The following table summarizes selected highlights for the quarter and year ended December 31, 2025:

(Cdn\$ thousands, except per share, share and per boe amounts)	Three months ended Dec 31, 2025	Three months ended Dec 31, 2024	Three months ended Sep 30, 2025	Year ended Dec 31, 2025 (2)	For the period from date of incorporation Aug 21, 2024 to Dec 31, 2024
<b>FINANCIAL</b>					
Adjusted funds from (used in) operations (1)	7,920	(10)	1,947	13,535	(13)
Per weighted average basic share (5)	0.20	-	0.05	0.37	-
Cash flows from operating activities	5,526	-	6,662	12,814	-
Per weighted average basic share (5)	0.14	-	0.17	0.35	-
Net income (loss)	2,638	(10)	(281)	1,753	(13)
Per weighted average basic share (5)	0.07	-	(0.01)	0.05	-
Net debt (1)	(9,848)	(759)	(6,519)	(9,848)	(759)
Weighted average shares, basic (thousands) (4)	40,000	-	40,000	36,164	-
Shares outstanding, end of period (thousands) (4)	40,000	-	40,000	40,000	-
<b>CAPITAL</b>					
Exploration and evaluation expenditures	415	-	1,662	12,689	-
Property, plant and equipment expenditures	10,117	-	16,898	29,391	-
Decommissioning liabilities settled	676	-	261	1,007	-
Total capital and abandonment expenditures	11,208	-	18,821	43,087	-
Net acquisitions (3)	-	-	-	58,631	-
<b>OPERATING</b>					
Production					
Crude oil (bbl/d)	2,055	-	874	1,242	-

Natural gas liquids (bbl/d)	634	-	201	342	-
Natural gas (mcf/d)	4,213	-	2,100	2,879	-
Total (boe/d)	3,391	-	1,425	2,064	-
Average realized prices					
Crude oil (\$/bbl)	74.88	-	84.65	80.35	-
Natural gas liquids (\$/bbl)	26.74	-	39.18	31.62	-
Natural gas (\$/mcf)	2.20	-	0.54	1.74	-
Netback and selected financial results (\$/boe)					
Petroleum and natural gas sales	53.11	-	58.25	56.00	-
Royalties	(4.81)	-	(8.26)	(6.68)	-
Operating expenses	(16.12)	-	(23.34)	(20.06)	-
Transportation expenses	(0.70)	-	(2.17)	(1.35)	-
Operating netback (1)	31.48	-	24.48	27.91	-
Realized risk management gain	1.03	-	0.24	0.52	-
General and administrative	(6.23)	-	(8.82)	(7.83)	-
Interest income	0.02	-	0.40	0.31	-
Interest and financing charges	(0.91)	-	(1.45)	(1.04)	-
Adjusted funds from operations (1)	25.39	-	14.85	19.87	-
Cash flows from operating activities	17.71	-	50.82	18.81	-

(1) Adjusted FFO, net (debt) surplus and operating netback do not have any standardized meanings under Canadian generally accepted accounting principles ("GAAP") and therefore may not be comparable to similar measures presented by other entities. For additional information related to these measures, including a reconciliation to the nearest GAAP measures, where applicable, see "Non-GAAP and Other Financial Measures".

(2) The commercial operations of Lotus Creek for the year ended December 31, 2025 are between February 5, 2025 and December 31, 2025.

(3) Net of decommissioning liabilities on date of acquisition.

(4) As at December 31, 2024 and for the three months ended December 31, 2024 and the period from date of incorporation, August 21, 2024 to December 31, 2024, one common share of the Company was outstanding.

(5) For the three months ended December 31, 2024 and the period from date of incorporation, August 21, 2024 to December 31, 2024, per weighted average basic share measures are not relevant financial measures as one common share of the Company was outstanding.

## 2025 YEAR END RESERVES HIGHLIGHTS

The Company is pleased to provide below both an overview summary and select highlights of its first year-end oil and gas reserves evaluation as at December 31, 2025. The year-end 2025 reserves were evaluated by independent reserves evaluator Sproule International Limited ("Sproule ERCE") in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). A reserves committee, comprised of independent members of the Company's Board of Directors, reviewed the qualifications and appointment of the independent reserves evaluator and reviewed the procedures for providing information to the evaluators. The reserves evaluation was based on an average of price forecasts prepared by Sproule ERCE, GLJ Petroleum Consultants Ltd. and McDaniel & Associates Consulting Ltd. effective at January 1, 2026. Reserves included herein are stated on a company gross basis (working interest before deduction of royalties without inclusion of any royalty interests) unless noted otherwise. Additional reserves information required under NI 51-101 will be included in Lotus Creek's Annual Information Form to be filed on SEDAR+ on or before March 31, 2026.

- The Company's proved developed producing ("PDP") reserves are 4.7 Mboe, total proved ("TP") reserves are 7.2 Mboe, and total proved plus probable ("TPP") reserves are 11.2 Mboe as at December 31, 2025.
- The before-tax net present value ("NPV") of reserves, discounted at 10%, was approximately \$92.8 million for PDP, \$119.5 million for TP, and \$187.0 million for TPP.
- The after-tax NPV of reserves, discounted at 10%, was approximately \$84.7 million for PDP, \$103.7 million for TP, and \$154.4 million for TPP.

- The Company's reserve report includes Future Development Capital ("FDC") of \$41.2 million for TP and \$70.6 million for TPP.
- The reserve life index ("RLI") for PDP, TP, and TPP, is 3.2, 4.9, and 7.4 years, respectively.
- Utilizing the evaluator average price forecast at January 1, 2026 and provisions for undeveloped land value and net debt, net asset values ("NAV") for PDP, TP, and TPP, as set forth in the table below, are \$2.26 per share, \$2.93 per share and \$4.61 per share, respectively.

The following tables outline Lotus Creek's reserves as at December 31, 2025. No provision for interest, risk management contracts, debt service charges and general and administrative expenses have been made and it should not be assumed that the net present values of the reserves estimated by Sproule ERCE represents the fair market value of the reserves.

#### Reserves Summary at Dec 31, 2025 Using Forecast Costs and January 1, 2026 Evaluator Average Forecast Prices

Company Gross	Light Oil	Heavy Oil	NGLs	Natural Gas	Equivalent Liquids	Liquids Ratio
	(Mbbbl)	(Mbbbl)	(Mbbbl)	(MMcf)	(Mboe)	(%)
Proved Developed Producing	2,528	189	877	6,579	4,690	77
Proved Developed Non-Producing	95	-	31	186	157	80
Proved Undeveloped	1,072	180	559	2,962	2,305	79
Total Proved	3,696	369	1,467	9,727	7,152	77
Total Probable	1,786	465	859	5,482	4,023	77
Total Proved plus Probable	5,481	834	2,325	15,208	11,175	77

#### Net Present Value of Future Revenues Before Income Taxes Under Forecast Prices and Costs

Company Gross (\$ thousands)	Undiscounted	Discounted @ 5%	Discounted @ 10%	Discounted @ 15%	Discounted @ 20%
Proved Developed Producing	109,714	103,890	92,769	82,968	75,078
Proved Developed Non-Producing	3,381	2,766	2,292	1,921	1,624
Proved Undeveloped	48,414	33,912	24,413	17,930	13,313
Total Proved	161,509	140,568	119,474	102,818	90,015
Total Probable	123,346	89,119	67,481	53,430	43,761
Total Proved plus Probable	284,855	229,688	186,955	156,249	133,776

#### Net Present Value of Future Revenues After Income Taxes Under Forecast Prices and Costs

Company Gross (\$ thousands)	Undiscounted	Discounted @ 5%	Discounted @ 10%	Discounted @ 15%	Discounted @ 20%
Proved Developed Producing	98,158	94,373	84,739	76,056	69,031
Proved Developed Non-Producing	2,557	2,081	1,715	1,428	1,199
Proved Undeveloped	37,435	25,237	17,275	11,870	8,044
Total Proved	138,151	121,690	103,728	89,354	78,274
Total Probable	95,013	67,924	50,710	39,607	32,019
Total Proved plus Probable	233,164	189,615	154,438	128,961	110,293

#### Net Future Development Capital ("FDC") Under Forecast Prices and Costs

(\$ thousands)	Proved	Probable	TPP
2026	23,800	-	23,800
2027	5,414	19,244	24,658
2028	11,966	10,217	22,183
Undiscounted Total	41,179	29,461	70,640

#### Reserves Life Index ("RLI")

(years)	2025
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Proved Developed Producing 3.2  
 Total Proved 4.9  
 Total Proved plus Probable 7.4

Net Asset Value ("NAV") at December 31, 2025

(\$ millions, except per share amounts)	PDP	TP	TPP
Value of Company Interest Discounted at 10% (Before Tax)	92.8	119.5	187.0
Undeveloped Land(1)	7.4	7.4	7.4
Net Debt	(9.8)	(9.8)	(9.8)
NAV	90.4	117.1	184.5
Shares Outstanding (millions)	40.0	40.0	40.0
NAV per Share	2.26	2.93	4.61

(1) Undeveloped land has been based on internal estimates of the value of the Company's undeveloped land.

### Forecast Prices and Costs

Evaluator average crude oil and natural gas benchmark reference pricing, inflation, and exchange rates utilized by Sproule ERCE as at January 1, 2026 were as follows:

Year	Inflation (%)	Exchange Rate (USD/CAD)	WTI Cushing (40 API) (USD/bbl)	Canadian Light Sweet (40 API) (CAD/bbl)	WCS Hardisty (20.5 API) (CAD/bbl)	AECO-C Spot (CAD/mmbtu)
2026	0.00	0.73	59.92	77.54	65.13	3.00
2027	2.00	0.74	65.10	83.60	70.43	3.30
2028	2.00	0.74	70.28	90.17	76.90	3.49
2029	2.00	0.74	71.93	92.32	78.71	3.58
2030	2.00	0.74	73.37	94.17	80.29	3.65
2031	2.00	0.74	74.84	96.06	81.90	3.72
2032	2.00	0.74	76.34	97.98	83.53	3.80
2033	2.00	0.74	77.87	99.93	85.20	3.88
2034	2.00	0.74	79.42	101.93	86.91	3.95
2035	2.00	0.74	81.01	103.97	88.65	4.03
2036+	2.00	0.74	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

### ABOUT LOTUS CREEK

Lotus Creek is a Canadian exploration and production company with oil production in Central Alberta and Southeast Saskatchewan and exploration assets in Tucker Lake and Central Alberta. On February 5, 2025, Lotus Creek, [Gear Energy Ltd.](#) and a third-party closed the previously announced transformative plan of arrangement and the Company commenced commercial operations on close of the plan of arrangement.

### Forward-Looking Information and Statements

This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains forward-looking information and statements pertaining to the following: Lotus Creek's founding principles and its ability to drill highly profitable wells and maintain a strong balance sheet; Lotus Creek's business model; the Company's ability to deliver highly profitable growth per share; the Company's operational mindset; expectations regarding the Company's expanded footprint will strengthen its development runway and enhance capital efficiency as the Company scales; the Company's proactive investment in infrastructure and anticipated benefits therefrom; that the Company will continue to be adaptive, responsive, and opportunistic in navigating both internal and external factors; that delivering highly profitable growth per share while protecting the balance sheet will remain a priority of the Company; the Company's intentions to monitor progress toward its 2026 objectives and keep shareholders informed as plans evolve; that the Company will continue to provide monthly operational and financial

updates throughout 2026; the 2025 four-well program and anticipated benefits and indications therefrom; the expectation that 2025 foundational capital and key investments will allow the Company to drive meaningful value creation into 2026; the expectation that the Company will have ample liquidity through its credit facilities; the expectation that production from the 3.0 gross (2.9 net) light oil Belly River wells in Wilson Creek will commence in the month of March; the Company's revised 2026 budget and guidance including with forecast average production for the full year and fourth quarter of 2025 (and the expected commodity weightings) and the forecast amount of capital and abandonment expenditures; the expectation that the full-year 2026 budget advances our strategy of disciplined, profitable per-share growth while maintaining financial resilience in a lower oil price environment; the Company's intention to direct capital to our highest-value projects at Wilson Creek, ensuring every dollar deployed drives meaningful value creation; the expectation that our strategy will further leverage the benefits of key foundational investments in 2025, including the 3D seismic program and the new Wilson Creek oil battery constructed in 2025; our objective to be the fastest growing, fully funded, public junior oil and gas company in Canada; our expectation that the Company has a high-quality, light sweet oil production base with long life reserves; the expectation that we have material upside in Wilson Creek and Tucker Lake assets with strong economics and capital efficiencies; expectations that our assets include multiple stacked oil reservoir zones, with open hole, multi-lateral and multi-stage fractured horizontal locations; and our expectation our well capitalized business model positioning the Company to substantially grow in the coming years.

The forward-looking information and statements contained in this press release reflect several material factors and expectations and assumptions of Lotus Creek including, without limitation: that Lotus Creek will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the duration and impact of tariffs (or other retaliatory trade measures) imposed by Canada or the U.S. (or other countries) on exports and/or imports into and out of such countries; the ability of the Company to receive all necessary regulatory approvals without significant adverse conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the accuracy of the estimates of Lotus Creek's reserves and resource volumes; certain commodity price and other cost assumptions; and the continued availability of adequate debt and equity financing and funds from operations to fund its planned expenditures. Lotus Creek believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

To the extent that any forward-looking information contained herein may be considered a financial outlook, such information has been included to provide readers with an understanding of management's assumptions used for budgeting and developing future plans and readers are cautioned that the information may not be appropriate for other purposes. The forward-looking information and statements included in this press release are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: risks and impacts of tariffs (or other retaliatory trade measures) imposed by Canada or the U.S. (or other countries) on exports and/or imports into and out of such countries, the failure to receive any regulatory approvals required for the Company's operations as contemplated; the impacts of the ongoing Middle-East conflicts (including the recent attacks by the U.S. and Israel on Iran and Iranian retaliation), Russia-Ukraine war (and any associated sanctions) and United States interventions in Venezuela on the global economy and on the oil and gas industry in Canada and elsewhere; the impacts of inflation and supply chain issues; pandemics, political events, natural disasters and terrorism; changes in commodity prices; the impact of actions taken by OPEC+ on global supply and demand of oil and gas; changes in the demand for or supply of Lotus Creek's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Lotus Creek or by third party operators of Lotus Creek's properties, increased debt levels or debt service requirements; inability to obtain debt or equity financing as necessary to fund operations, capital expenditures and any potential acquisitions; any ability for Lotus Creek to repay any of its indebtedness when due; inaccurate estimation of Lotus Creek's oil and gas reserve and resource volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time to time in Lotus Creek's public documents including risk factors set out in Lotus Creek's Listing Application dated February 5, 2025 on TSX Venture Exchange Form 2B, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), and when issued the Company's annual information form for the year ended December 31, 2025, which will also be available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Lotus Creek's prospective results of operations including, without limitation, production and capital and abandonment expenditures, which are subject to the same assumptions, risk factors, limitations,

and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. Lotus Creek's actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits Lotus Creek will derive therefrom. Lotus Creek has included the FOFI in order to provide readers with a more complete perspective on Lotus Creek's future operations and such information may not be appropriate for other purposes.

The forward-looking information and statements and FOFI contained in this press release speak only as of the date of this press release, and Lotus Creek does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

#### Non-GAAP and Other Financial Measures

This press release includes references to non-GAAP and other financial measures that Lotus Creek uses to analyze financial performance. These specified financial measures include non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures, and are not defined by International Financial Reporting Standards ("IFRS") Accounting Standards and are therefore referred to as non-GAAP and other financial measures. Management believes that the non-GAAP and other financial measures used by the Company are key performance measures for Lotus Creek and provide investors with information that is commonly used by other oil and gas companies. These key performance indicators and benchmarks as presented do not have any standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable with the calculation of similar measures for other entities. These non-GAAP and other financial measures should not be considered an alternative to or more meaningful than their most directly comparable financial measure presented in the financial statements, as an indication of the Company's performance. Descriptions of the non-GAAP and other financial measures used by the Company as well as reconciliations to the most directly comparable GAAP measure for the quarter and year ended December 31, 2025 and the period from incorporation on August 21, 2024 to December 31, 2024, where applicable, are provided below.

#### Adjusted Funds from Operations

Adjusted funds from operations (or adjusted FFO) is a non-GAAP financial measure defined as cash flows from (used in) operating activities before changes in non-cash operating working capital and decommissioning liabilities settled and adding back transaction costs, if any. Transaction costs, which primarily include legal fees and other related acquisition costs, are excluded to provide a measure representing cash flows generated by the Company's routine business operations. Lotus Creek evaluates its financial performance primarily on adjusted funds from operations and considers it a key measure for management and investors as it demonstrates the Company's ability to generate the adjusted funds from operations necessary to fund its capital program, settle decommissioning liabilities and repay debt.

Reconciliation of cash flows from (used in) operating activities to adjusted funds from operations:

(\$ thousands)	Three months ended			Year ended	For the period
	Dec 31, 2025	Dec 31, 2024	Sep 30, 2025	Dec 31, 2025	from date of incorporation Aug 21, 2024 Dec 31, 2025
Cash flows from operating activities	5,526	-	6,662	12,814	-
Decommissioning liabilities settled	676	-	261	1,007	-
Change in non-cash operating working capital	1,677	644	(5,099)	(1,192)	) 756
Due to related party	-	(654)	) -	-	(769)
Add back: transaction costs	41	-	123	906	-
Adjusted funds from (used in) operations	7,920	(10)	) 1,947	13,535	(13

#### Adjusted Funds from Operations per BOE

Adjusted funds from operations per boe is a non-GAAP ratio calculated as adjusted funds from operations, as defined and reconciled to cash flows from (used in) operating activities above, divided by sales production for the period. Lotus Creek considers this a useful non-GAAP ratio for management and investors as it evaluates financial performance on a per boe level, which enables better comparison to other oil and gas companies in demonstrating its ability to generate the adjusted funds from operations necessary to fund its capital program, settle decommissioning liabilities and repay debt

#### Adjusted Funds from Operations per Weighted Average Basic Share

Adjusted funds from operations per weighted average basic share is a non-GAAP ratio calculated as adjusted funds from operations, as defined and reconciled to cash flows from (used in) operating activities above, divided by the weighted average basic share amount. Lotus Creek considers this non-GAAP ratio a useful measure for management and investors as it demonstrates its ability to generate the adjusted funds from operations, on a per weighted average basic share basis, necessary to fund its capital program, settle decommissioning liabilities and repay debt.

#### Net (Debt) Surplus

Net (debt) surplus is a capital management measure defined as debt less current working capital items (excluding debt, risk management contracts, and decommissioning liabilities). Lotus Creek believes net (debt) surplus provides management and investors with a measure that is a key indicator of its leverage and strength of its balance sheet. Changes in net (debt) surplus are primarily a result of adjusted funds from operations, capital and abandonment expenditures and equity issuances.

Reconciliation of debt to net (debt) surplus:

Capital structure and liquidity (\$ thousands)	Dec 31, 2025	Dec 31, 2024
Debt	(6,921	) -
Working capital deficit (1)	(2,927	) (759
Net debt	(9,848	) (759

(1) Current assets less current liabilities, excluding risk management contracts and decommissioning liabilities.

#### Net Debt to Quarterly Annualized Adjusted Funds from Operations

Net debt to quarterly annualized adjusted funds from operations is a non-GAAP ratio and is defined as net debt, as defined and reconciled to debt above, divided by the annualized adjusted funds from operations, as defined and reconciled to cash flows from operating activities above, for the most recently completed quarter. Lotus Creek uses net debt to quarterly annualized adjusted funds from operations to analyze financial and operating performance. Lotus Creek considers this a key measure for management and investors as it demonstrates the Company's ability to pay off its debt and take on new debt, if necessary, using the most recent quarter's results. When the Company is in a net surplus position, the Company's net debt to annualized adjusted funds from operations is not applicable.

#### Operating Netback

Operating netbacks are non-GAAP ratios calculated based on the amount of revenues received on a per unit of production basis after royalties and operating costs. Management considers operating netback to be a key measure of operating performance and profitability on a per unit basis of production. Management believes that operating netback provides investors with information that is commonly used by other oil and gas companies. The measurement on a per boe basis assists management and investors with evaluating operating performance on a comparable basis.

#### Per BOE Figures

This press release represents various results on a per boe basis, including adjusted funds from operations, cash flows (used in) from operating activities, petroleum and natural gas sales, royalties, operating costs, transportation costs, general and administrative, interest income and interest and financing charges. These supplementary financial measures are determined by dividing the applicable financial figure as prescribed under IFRS by the Company's total sales volumes for the respective period.

#### Net Asset Value ("NAV")

NAV is a supplementary financial measure, the composition of which is set out in the body of this press release. Lotus Creek considers NAV a useful supplementary measure for management and investors as it enables oil and gas companies to measure the value of the Company based on the independent reserves evaluation of the Company's reserves plus certain assumptions made by management as to the value of the other assets of the Company. For the purposes of calculating NAV as presented herein, undeveloped land has been based on internal estimates of the value of the Company's undeveloped land. Net debt is used as a component of the NAV calculation, which is a capital management measure the composition of which is explained above.

#### Net Asset Value ("NAV") per Share

NAV per share is a supplementary financial measure, the composition of which is set out in the body of this press release. Lotus Creek considers NAV per share a useful supplementary measure for management and investors as it enables oil and gas companies to measure the value of an outstanding share of the Company based on the independent reserves evaluation of the Company's reserves plus certain assumptions made by management as to the value of the other assets of the Company. For the purposes of calculating NAV per share as presented herein, undeveloped land has been based on internal estimates of the value of the Company's undeveloped land. Net debt is used as a component of the NAV per share calculation, which is a capital management measure the composition of which is explained above. For the purposes of the calculation of NAV per share, the number of shares outstanding does not include any shares issuable on any securities of the Company that are convertible, exchangeable or exercisable into shares of the Company.

#### Oil and Gas Metrics

This press release contains the terms reserves life index and payout, which are oil and gas metrics that do not have a standardized meaning or standard method of calculation and therefore such measures may not be comparable to similar measures used by other companies. Reserves life index has been included herein to provide readers with an additional measure to evaluate the Company's performance; however, such measure is not a reliable indicator of the future performance of the Company and future performance may not compare to the performance in previous periods. Reserves life index is calculated by dividing the reserves in each category by the corresponding Sproule ERCE forecast of annual production. The term "payout" as used in this press release means when the operating income that the Company receives from a well has fully repaid the capital spent to drill, complete, equip and tie a well into production but does not include any land acquisition costs, exploration costs or other facilities costs. This press release also contains the terms NAV and operating netback, which are oil and gas metrics that do not have any standardized meanings and may not be comparable to similar measures presented by other entities. For additional information related to these measures see "Non-GAAP and Other Financial Measures" in this press release.

#### Barrels of Oil Equivalent

Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six Mcf to one Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

#### Initial Production Rates

References in this press release to initial production ("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 the aggregate production for the Company. Accordingly, the Company cautions that such short-term rates should be considered to be preliminary.

#### Oil & Gas Matters

References to heavy oil, light and medium oil, natural gas liquids and natural gas in this press release refer to the heavy crude oil, light crude oil and medium crude oil, natural gas liquids and conventional natural gas, respectively, product types as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities.

#### FOR FURTHER INFORMATION, PLEASE CONTACT:

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