

Entropy Inc. Announces Multiple CCS Project Evaluation Engagements Totaling Approximately 1 Million Tonnes Per Annum, and Expands Executive Team and Board of Directors

(TSX: AAV)

CALGARY, AB, June 2, 2021 /CNW/ - Entropy Inc. ("Entropy" or the "Corporation", a subsidiary of Advantage Energy Ltd.) is pleased to announce Memoranda of Understanding ("MOUs") with four separate emitting corporations to develop Carbon Capture and Storage ("CCS") projects totaling approximately 1 million tonnes per annum ("TPA"). These MOUs represent an important step in commercial deployment of Entropy technology, demonstrate versatility across a broad range of applications and jurisdictions, and provide visibility to a significant pipeline of growth opportunities.

Additionally, Entropy is pleased to announce that Brent Allardyce and Jill Angevine will join the Entropy board as directors, and Rick Bower has been appointed to the Entropy executive team as Chief Technology Officer.



Highlights of the Third-Party Industrial Emitter MOUs

- Athabasca Oil Corp. and Entropy have agreed to jointly evaluate the development of the first net-zero oil sands production by deploying Entropy CCS technology at Leismer, Alberta. The Leismer facility is expected to capture up to 520,000 TPA.
- Black Swan Energy Ltd. and Entropy have agreed to jointly evaluate the development of modular CCS at the Aiken Creek Processing Facility in British Columbia. The initial application will be modular, intended to capture approximately 9,000 TPA, with the end target of capturing up to 150,000 TPA.
- A Northeast British Columbia focused midstream company and Entropy have agreed to jointly evaluate the development of CCS projects at two separate gas processing plants in British Columbia. The projects have the potential to capture approximately 185,000 TPA.
- A well-capitalized public midstream company has engaged Entropy to jointly evaluate the development of two separate CCS projects on gas processing facilities in Alberta totaling approximately 102,000 TPA.

Scoping design, engineering, and subsurface evaluations are underway for each of the projects under MOU, with varying degrees of advancement. These four MOUs are in addition to the previously announced project at the Advantage Glacier Gas Plant (182,000 TPA in two phases), where all major equipment for phase 1 has been purchased and preparations for construction are underway.

Entropy continues to engage with numerous other third-party emitters in a variety of industrial sectors and commercial applications such as boilers, compressors and power generation, with a significant pipeline of additional potential projects in development.

Entropy Board of Directors and Executive Additions

- Jill Angevine has joined Entropy's board effective immediately. Ms. Angevine is an accomplished financial professional and currently serves on the board of Advantage.
- Brent Allardyce (P. Eng.) has joined Entropy's board effective immediately. Mr. Allardyce is a principal and founder of Allardyce Bower Consulting Inc. ("ABC") and has played a critical role in the development of Entropy modular CCS technology, with direct involvement in the project since its inception.
- Rick Bower (P. Eng.) has been appointed as Chief Technology Officer of Entropy. Mr. Bower is a principal and founder of ABC and has been a key driver of innovation and technology behind Entropy's modular CCS technology, including the integration of state-of-the-art research derived from Clean Energy Technologies Research Institute ("CETRI") research.

While Messrs. Allardyce and Bower will continue in their current roles at ABC, the two companies have agreed to an exclusive relationship in CCS whereby Entropy owns all CCS technology, patents and intellectual property, develops and finances commercial projects, licenses technology and provides regulatory services. ABC will provide all engineering, procurement and construction management for Entropy CCS projects in addition to supporting the development of CCS projects, while striving to continuously advance the science of carbon capture.

Entropy is committed to commercial deployment of state-of-the-art technologies in CCS and in other clean energy opportunities, building on the combined strengths of Advantage, ABC and our advisors from CETRI.

About Entropy Inc:

Entropy is a privately-owned company, founded by Advantage to apply sophisticated science and engineering to commercialize CCS. Entropy's technology is expected to deliver commercial profitability at a carbon price below CAN\$50/tonne, using proprietary modular carbon capture and storage technology. Entropy intends to deploy this technology in the global effort to reduce and eventually eliminate carbon emissions.

About Advantage Energy Ltd:

Advantage is a low-carbon energy producer focused on developing its high quality Montney resources. Advantage's owned infrastructure, top-tier cost structure and capital efficiency provide a strong foundation for sustainable, disciplined production growth. With modern, low emissions-intensity assets and the Glacier carbon capture and sequestration asset, Advantage continues to proudly deliver clean, reliable and sustainable energy, contributing to a reduction in global emissions by displacing high-carbon fuels. Advantage's common shares trade on the Toronto Stock Exchange under the symbol AAV with its head office in Calgary, Alberta, Canada.

About Allardyce Bower Consulting Inc:

ABC is a Calgary-based engineering, procurement and construction management company with leading expertise in several aspects of gas processing and modularization. ABC's principals Brent Allardyce and Rick Bower provide over 75 years of related experience in designing, troubleshooting, and operating gas processing facilities with innovative professional services and unique capability.

About Clean Energy Technologies Research Institute (CETRI):

CETRI centralizes all low-carbon and carbon-free clean energy research activities at the University of Regina. Areas of research focus include decarbonization and zero-emission hydrogen technologies, carbon capture and utilization, and waste-to-renewable fuels and chemicals. Bringing together one of the most dynamic teams of researchers, industry leaders, innovators, and educators in the energy field, CETRI's mission aligns with the Environment & Climate Action areas of focus in the University of Regina's Strategic Plan.

Advisory

The information in this press release contains certain forward-looking statements, including within the meaning of applicable securities laws. These statements relate to future events or our future intentions or performance. 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", "continue", "demonstrate", "expect", "may", "can", "will", "believe", "would" and similar expressions and include statements relating to, among other things, the benefits to be derived from the MOUs and the expectation that they will result in completed CCS projects; expectation that the potential CCS projects as described will capture carbon dioxide TPA as disclosed; expectation that there is a significant pipeline of additional potential projects in development; expected benefits of Entropy's technology; Entropy's strategies and plans for its technology and Entropy's focus; and Advantage's strategy and focus. Advantage's and Entropy's actual decisions, activities, results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Advantage or Entropy will derive from them.

These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Advantage's and Entropy's control, including, but not limited to: changes in general economic, market and business conditions; industry conditions; actions by governmental or regulatory authorities including increasing taxes and changes in investment or other regulations; changes in tax laws and incentive programs; changes in carbon tax and credit regimes; competition from other producers; the lack of availability of qualified personnel or management; intellectual property and patent risks; credit risk; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; ability to comply with current and future environmental or other laws; stock market volatility and market valuations; failure to achieve the anticipated benefits and results of Entropy's technology; failure to achieve the anticipated benefits of Entropy's relationships with third parties; ability to obtain required approvals of regulatory authorities; and ability to access sufficient capital from internal and external sources.

With respect to forward-looking statements contained in this press release, Advantage and Entropy have made assumptions regarding, but not limited to: conditions in general economic and financial markets; effects of regulation by governmental agencies; current and future commodity prices and royalty regimes; future exchange rates; royalty rates; future operating costs; availability of skilled labor; timing and amount of net capital expenditures; the impact of increasing competition; that Advantage and Entropy will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that Entropy's conduct and results of operations will be consistent with expectations; that Entropy will have the ability to develop its technology in the manner currently contemplated; current or, where applicable, proposed assumed industry conditions, laws and regulations will continue in effect or as anticipated; and the anticipated benefits and results from Entropy's technology are accurate in all material

respects. Readers are cautioned that the foregoing lists of factors are not exhaustive.

Management has included the above summary of assumptions and risks related to forward-looking information above in order to provide shareholders with a more complete perspective on Entropy's future operations and such information may not be appropriate for other purposes. Entropy's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Advantage and Entropy will derive there from. Readers are cautioned that the foregoing lists of factors are not exhaustive. These forward-looking statements are made as of the date of this news release and neither Advantage or Entropy disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

SOURCE Advantage Oil & Gas Ltd.

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