Entropy Inc. Initiates Formal Process to Pursue Alternatives to Fund Carbon Capture and Sequestration (CCS) Growth Initiatives

(TSX: AAV)

CALGARY, AB, Aug. 23, 2021 /CNW/ - Entropy Inc. ("Entropy" or the "Corporation", a subsidiary of Advantage Energy Ltd., "Advantage") is pleased to announce the initiation of a formal process to explore alternatives for raising external capital, including a private placement of equity securities of the Corporation (the "Financing").

Entropy intends that the net proceeds from the Financing would be used to fund the commercial development of Carbon Capture and Sequestration ("CCS") projects using Entropy's patent-pending process design, Entropy23™ solvent, and deep expertise in geological carbon storage.

Entropy has retained TD Securities Inc., Scotia Capital Inc. and Desjardins Securities Inc. as agents for the Financing. The Corporation does not intend to provide any updates on the progress of this initiative until a definitive outcome is reached.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to, for the account or benefit of, U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Entropy Inc:
Entropy is a privately-owned company (Advantage 90% and Allardyce Bower Holdings Inc. 10%), founded 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 CCS 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.

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 use of proceeds from the Financing and the Corporation's intentions with respect to updates on the progress of the Financing. 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 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: the board of directors of Entropy determines to use the proceeds from the Financing for another purpose; the risk that a Financing is not completed; the amount raised pursuant to the Financing is less than anticipated; 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 of CCS technologies; the lack of availability of qualified personnel or management; 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; market valuations; failure to achieve the anticipated benefits and results of Entropy's technology; 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, Entropy has made assumptions regarding, but not limited to: the amount of funds to raised pursuant to the Financing; the ability to complete a Financing; the use of proceeds from the Financing; conditions in general economic and financial markets; effects of regulation by governmental agencies; current and future commodity and carbon prices and royalty and carbon credit 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 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. 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 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.

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