Advantage Announces Intention to Commence Substantial Issuer Bid and Entropy Provides Update on Entropy23TM Initial Performance

(TSX: AAV)

CALGARY, AB, Nov. 2, 2022 /CNW/ - Advantage Energy Ltd. ("Advantage" or the "Corporation") announces that the Board of Directors has authorized the initiation of a substantial issuer bid (the "Offer") pursuant to which the Corporation intends to offer to purchase for cancellation up to $100,000,000 of its common shares (the "Shares"). The Corporation anticipates that the terms and pricing will be determined, and the Offer will commence, during the next two weeks and will be completed before the end of December 2022.

This news release is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell Shares. The Offer referred to in this news release has not yet commenced. The solicitation and the offer to buy the Shares will only be made pursuant to a separate issuer bid circular, which will contain full details of the Offer and will be filed with the securities regulatory authorities in Canada and mailed to the Corporation's shareholders. Shareholders wishing to accept the Offer will have the opportunity to tender their Shares through a modified Dutch auction. The Offer will be optional for all shareholders, who will be free to choose whether to participate, how many Shares to tender and, in the case of auction tenders, at what price to tender within the specified range. Any shareholder who does not deposit any Shares (or whose Shares are not repurchased under the Offer) will realize a proportionate increase in equity interest in Advantage, to the extent that Shares are purchased under the Offer. The Corporation intends to fund the Offer with a combination of cash on hand and drawings on existing credit facilities. The Offer, which remains subject to the receipt of a satisfactory liquidity opinion from the Corporation's financial adviser, will not be conditional upon any minimum number of Shares being tendered and will be subject to conditions customary for transactions of this nature.

Update on Initial Performance of Entropy23^{TM}

In order to ensure complete, up-to-date disclosure in advance of Advantage's substantial issuer bid, Entropy Inc. ("Entropy", a subsidiary of Advantage) is pleased to provide a status update on Entropy23^{TM} at the Glacier carbon capture and storage project.

In its first week since being introduced into the Modular Carbon Capture^{TM} system, Entropy23^{TM} has begun capturing carbon with frequent adjustments to operating parameters. During a relatively steady 28-hour period using a preliminary configuration, the system demonstrated a capture efficiency of approximately 95% with an initial heat duty of 2.9 GJ/tonne; CO2 concentration of the flue gas was 5.3% and reboiler temperature was 116 degrees Celsius. This data, which was independently recorded and verified by researchers from the University of Regina's Clean Energy Technologies Research Institute, is consistent with management expectations given the very short operating history and variations in ambient temperature conditions.

As a result of Entropy23^{TM}'s high performance properties, capture rates have exceeded expectations; the system has not yet been configured to target a lower capture efficiency of 90%, which will be required prior to any relevant comparison to our MEA benchmarks (which are anchored on 90% capture rates, please see Entropy press release dated October 24, 2022).

The next steps are to configure the system to achieve steady 90% capture rates for data gathering, optimize the heat duty and gather long-term data on operating costs. This process is expected to take several months and no material data is expected to be generated prior to the end of December 2022, although further performance data may be released at any time as it becomes available.

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Forward-Looking Information and 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, references to the aggregate amount of Shares

to be purchased for cancellation under the Offer; the structure of the bid including a modified Dutch auction procedure; the timing for determining the terms and pricing of the Offer; the anticipated timing of commencement and completion of the Offer; the Corporation's intention to fund the Offer with a combination of cash on hand and drawings on existing credit facilities; the Offer not being conditional upon any minimum number of Shares being tendered; the anticipated receipt by the Corporation of a satisfactory liquidity opinion from the Corporation's financial adviser; and the expectation that Entropy will continue with process modifications in order to establish heat duty at standardized capture rates and conditions and that further data will be released as it becomes available. Advantage'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 will derive from them.

Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to Advantage. Advantage's actual results may differ materially from those expressed or implied by its forward-looking statements and readers are cautioned not to place undue reliance on them. Advantage undertakes no obligation to update any forward-looking statements contained herein, except as required by applicable law.

With respect to forward-looking statements contained in this press release, Advantage has made assumptions regarding, but not limited to: conditions in general economic and financial markets; the impact and duration of ongoing global events, including European tensions and the COVID-19 pandemic and the ability of the Corporation to carry on its operations as currently contemplated in light of the such events; effects of regulation by governmental agencies; foreign exchange rates; current and future commodity prices and royalty regimes; future exchange rates; royalty rates; future operating costs; future transportation costs and availability of product transportation capacity; availability of skilled labor; the impact of increasing competition; that the Corporation 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 the Corporation will have cash on hand and will be able to draw on its credit facilities to fund the Offer; that Entropy's conduct and results of operations will be consistent with expectations; and that Entropy will have the ability to develop its technology in the manner currently contemplated.

Management has included the above summary of assumptions and risks related to forward-looking information above and in its continuous disclosure filings on SEDAR in order to provide shareholders with a more complete perspective on Advantage's future operations and such information may not be appropriate for other purposes. Advantage'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 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 Advantage 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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