

Advantage Announces Preliminary Results of Substantial Issuer Bid

(TSX: AAV)

CALGARY, AB, Dec. 19, 2022 /CNW/ - Advantage Energy Ltd. ("Advantage" or the "Corporation") announces the preliminary results of its substantial issuer bid (the "Offer"), pursuant to which the Corporation offered to purchase for cancellation up to \$100,000,000 of its common shares (the "Shares") and which expired at 5:00 p.m. (Eastern Standard Time) on December 16, 2022 (the "Expiration Date"). The Offer proceeded by way of a modified Dutch auction whereby holders of Shares ("Shareholders") could choose to either make: (i) auction tenders at a tender price of not less than \$11.20 and not more than \$12.90 per Share in increments of \$0.10 per Share; or (ii) purchase price tenders in which the tendering Shareholders agreed to have a specified number of Shares purchased at the Purchase Price (as defined below). Shareholders who validly tendered Shares without specifying the method in which they tendered their Shares, were deemed to have made a purchase price tender.

In accordance with the terms and conditions of the Offer and based on the preliminary calculation of Computershare Investor Services Inc., as depositary for the Offer (the "Depositary"), a total of 32,091,754 Shares were properly tendered to the Offer and not properly withdrawn, including 203,290 Shares that were tendered through notices of guaranteed delivery. Based on the Depositary's preliminary calculation, Advantage expects to take up and pay for 8,928,571 Shares at a price of \$11.20 per Share under the Offer (the "Purchase Price"), representing an aggregate purchase of approximately \$100,000,000 and 4.9% of the total number of Advantage's issued and outstanding Shares at the time the Offer was commenced on November 10, 2022. Immediately following completion of the Offer, Advantage anticipates that 172,186,405 Shares will be issued and outstanding. Shareholders who made auction tenders at a price in excess of \$11.20 per Share should not expect to have any of such tendered Shares purchased by Advantage.

As the Offer was oversubscribed, Shareholders who validly tendered Shares pursuant to auction tenders at prices at or below the Purchase Price, and/or who made, or were deemed to have made, purchase price tenders and who did not withdraw their tendered Shares prior to the Expiration Date, are expected to have approximately 42.85% of their tendered Shares purchased by the Corporation, other than in the case of "Odd Lot" holders (Shareholders who owned and tendered less than 100 Shares), who will not be subject to proration.

The number of Shares properly tendered and not properly withdrawn, the number of Shares to be purchased, the proration factor and the Purchase Price are preliminary, remain subject to verification by the Depositary and assume that all Shares tendered through notice of guaranteed delivery will be delivered within the two trading-day settlement period. Upon take-up and payment of the Shares purchased, Advantage will issue a press release disclosing the final results, including the final number of Shares to be purchased, the final proration factor, the final Purchase Price, the estimated paid-up capital per Share and the "specified amount" for purposes of the Income Tax Act (Canada). Payment for the Shares accepted for purchase will be made in accordance with the terms of the Offer and applicable law. All Shares not purchased under the Offer (including Shares not purchased because of proration, invalid tenders, or Shares tendered pursuant to auction tenders in excess of the Purchase Price), or Shares properly withdrawn before the Expiration Date, will be returned to the Shareholders by the Depositary.

The Corporation expects to be eligible to recommence purchases under its normal course issuer bid after all Shares accepted for purchase under the Offer have been taken up and paid for.

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 full details of the Offer are described in the offer to purchase and issuer bid circular dated November 10, 2022, as well as the related letter of transmittal and notice of guaranteed delivery, copies of which were filed and are available on SEDAR at www.sedar.com and www.advantageog.com.

Any questions or requests for information may be directed to the Depositary at 1 (800) 564-6253 (Toll-Free within North America) or 1 (514) 982-7555 (outside North America) or to the dealer manager, RBC Dominion Securities Inc., at advantagesib@rbccm.com.

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 aggregate consideration to be paid to Shareholders under the Offer; the Purchase Price under the Offer; the number of issued and outstanding Shares upon the completion of the Offer; that the Shares tendered under the Offer will be subject to proration, and the relevant pro rata basis on which tendered Shares will be purchased; the return of Shares to Shareholders not purchased by reason of proration, invalid tender, Shares that were tendered pursuant to action tenders at prices in excess of the Purchase Price, or Shares that were properly withdrawn before the Expiration Date; and the expectation that the Corporation will be eligible to recommence purchases under its normal course issuer bid after all Shares accepted for purchase under the Offer have been taken up and paid for. 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. Such risks and uncertainties, certain of which are beyond Advantage's control, include, but not limited to: changes in general economic, market and business conditions; industry conditions, including as a result of demand and supply effects resulting from the COVID-19 pandemic; actions by governmental or regulatory authorities including increasing taxes and changes in investment or other regulations; changes in tax laws; and ability to access sufficient capital from internal and external sources to fund the Offer and otherwise. Many of these risks and uncertainties and additional risk factors are described in the Corporation's Annual Information Form which is available at www.sedar.com ("SEDAR") and www.advantageog.com. Readers are also referred to risk factors described in other documents Advantage files with Canadian securities authorities.

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; effects of regulation by governmental agencies; and that the Corporation will have cash on hand and will be able to draw on its credit facilities to fund the Offer.

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.

SOURCE Advantage Energy Ltd.

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