

Advantage Announces Closing of Asset Acquisition

(TSX: AAV)

CALGARY, AB, June 24, 2024 /CNW/ - Advantage Energy Ltd. ("Advantage" or the "Corporation"), is pleased to announce that it has completed its previously announced acquisition of certain Charlie Lake and Montney assets from a private seller for cash consideration of \$445 million (the "Acquisition"), subject to closing adjustments. The Acquisition capitalizes on a rare opportunity to consolidate a high-quality, liquids-weighted asset that is contiguous with our existing core areas and complementary to our dominant infrastructure platform.

Acquisition Financing

The Acquisition was partially funded by a previously closed bought deal financing (the "Offering") whereby Advantage issued 5,910,000 subscription receipts (the "Subscription Receipts") at a price of \$11.00 per Subscription Receipt and \$143,750,000 aggregate principal amount of 5.0% extendible convertible unsecured subordinated debentures (the "Debentures") at a price of \$1,000 per Debenture for aggregate gross proceeds of the Offering of \$208,760,000, which included the full exercise of the over-allotment option with respect to the Debentures. The remainder of the Acquisition was funded by the Corporation's previously announced upsized \$650 million revolving credit facility.



On closing of the Acquisition, the net proceeds from the sale of the Subscription Receipts were released from escrow to Advantage and each Subscription Receipt will be exchanged for one common share of Advantage (each, a "Common Share"), in accordance with the terms of the Subscription Receipts, which is expected to occur before trading commences on June 25, 2024. Also on closing of the Acquisition, the maturity date of the Debentures was automatically extended to June 30, 2029.

Trading in the Subscription Receipts on the Toronto Stock Exchange (the "TSX") is expected to be halted and the Subscription Receipts will be delisted at the market close on June 24, 2024.

Forward-Looking Information 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 terms of the Debentures and the Subscription Receipts, including the anticipated timing of when the Subscription Receipts will be exchanged for Common Shares; the anticipated benefits to be derived from the Acquisition; the anticipated use of proceeds of the Offering; and the delisting of the Subscription Receipts from trading on the TSX, including the anticipated timing thereof. 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.

These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Advantage'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, royalty regimes and incentive programs relating to the oil and gas industry; Advantage's success at acquisition, exploitation and development of reserves; unexpected drilling results; changes in commodity prices, currency exchange rates, net capital expenditures, reserves or reserves estimates and debt service requirements; the occurrence of unexpected events involved in the exploration for, and the operation and development of, oil and gas properties, including hazards such as fire, explosion, blowouts, cratering, and spills, each of which could result in substantial damage to wells, production and processing facilities, other property and the environment or in personal injury; changes or fluctuations in production levels; delays in anticipated timing of drilling and completion of wells; individual well productivity; competition from other producers; 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; our ability to comply with current and future environmental or other laws; stock market volatility and market valuations; liabilities inherent in oil and natural gas operations; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; geological, technical, drilling and

processing problems and other difficulties in producing petroleum reserves; ability to obtain required approvals of regulatory authorities; the risk that the Acquisition may not lead to the benefits anticipated; the risk that the Subscription Receipts may not be exchanged for Common Shares when anticipated; and the risk that the Subscription Receipts may not be delisted from trading on the TSX when anticipated. Many of these risks and uncertainties and additional risk factors are described in the Prospectus and the Corporation's Annual Information Form, copies of which are available at www.sedarplus.ca ("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; current and future commodity prices and royalty regimes; the Corporation's current and future hedging program; future exchange rates; royalty rates; future operating costs; future transportation costs and availability of product transportation capacity; availability of skilled labor; availability of drilling and related equipment; timing and amount of net capital expenditures; the impact of increasing competition; the price of crude oil and natural gas; the number of new wells required to achieve the budget objectives; 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's conduct and results of operations will be consistent with its expectations; that the Corporation will have the ability to develop the Corporation's properties in the manner currently contemplated; current or, where applicable, proposed assumed industry conditions, laws and regulations will continue in effect or as anticipated; the estimates of the Corporation's production and reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; and the ability of Advantage to meet the conditions to delisting the Subscription Receipts from trading on the TSX in a timely manner. 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 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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