

## Entropy Enters Definitive Agreement to Purchase Strategic Carbon Storage Assets

### *Transaction increases Entropy's customer base and expands Entropy's operations into Saskatchewan*

CALGARY, AB, June 23, 2025 /CNW/ - Entropy Inc. ("Entropy"), a subsidiary of Advantage Energy Ltd. ("Advantage"), has entered into a definitive agreement to purchase an interest in three carbon hubs from a Canadian oil and natural gas producer for \$20 million and contingent payments of approximately \$15 million (subject to adjustment) based on commercial milestones achieved by various projects (the "Acquisition").

The all-cash transaction encompasses a portfolio of strategic subsurface assets, along with associated commercial contracts, licenses, and other intellectual property. The acquired assets are the Belle Plaine carbon hub and the North Battleford carbon hub, located in Saskatchewan, as well as a 50% interest in the Rolling Hills carbon hub located in southern Alberta. The Acquisition is expected to close in July 2025, subject to satisfaction of certain conditions precedent. TD Securities Inc. acted as the exclusive Financial Advisor to the Vendor.

Funds for the Acquisition will be provided through the issuance of convertible debentures by Entropy under its aggregate \$500 million strategic investment agreements with Brookfield Asset Management and the Canada Growth Fund, with no capital to be contributed by Advantage. All debentures issued to finance the Acquisition will be obligations of Entropy Inc. and are non-recourse to Advantage.

"We are excited to expand Entropy's footprint into Saskatchewan and strengthen our commitment to the carbon capture and sequestration business in Alberta," said Entropy CEO Sanjay Bishnoi. "This acquisition marks a significant step in our commercial growth. We are also excited to build relationships with new customers and advance existing infrastructure projects that will enable CO<sub>2</sub> to reach these newly acquired storage hubs."

### **Entropy Operational Update**

Entropy continues its successful operations and scale-up of carbon capture and sequestration operations at the Glacier gas plant. With Phase 1a preparing to be incorporated into Phase 2 operations, Entropy continues to see consistent, strong carbon capture at Phase 1b (>90% capture and >98% run time) with heat of regeneration in the range of 2.5-2.9 GJ/Tonne CO<sub>2</sub> captured.

Progress on the previously announced Glacier Phase 2 continues on time and, despite tariffs and inflation, within 10% of the budget set at the Final Investment Decision on July 9, 2024. Fabrication is underway on all long lead items, including the Solar T130 gas-fired turbine, with construction set to begin this summer. Entropy anticipates Glacier Phase 2 will reach commercial operations by Q2 2026.

### **About Entropy Inc.**

Entropy is a privately-owned company applying sophisticated science and engineering to develop commercial CCS projects. Entropy entered a strategic \$300 million investment agreement with Brookfield Asset Management in 2022. In 2023, Entropy entered a strategic investment with the Canada Growth Fund which includes a \$200 million strategic investment and a Carbon Credit Offtake agreement for up to one million tpa of carbon credits for 15 years. These transactions have been undertaken to scale up the deployment of Entropy's CCS technology globally. Entropy's technology is expected to deliver commercial profitability with an industry-leading cost structure 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. Further information is available at [www.entropyinc.com](http://www.entropyinc.com).

### **Forward-Looking Information and Advisory**

*All references in this press release are to Canadian dollars unless otherwise indicated.*

*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", "call for", "can", "will", "believe", "would" and similar expressions and include statements relating to, among other things: the anticipated timing of completing the Acquisition; the anticipated method of funding the transaction; the anticipated benefits of the Acquisition; Entropy's ability to incorporate Glacier Phase 1a operations into Glacier Phase 2 and the anticipated benefits therefrom; the anticipated timing of construction and commercial operations of Glacier Phase 2; the benefits of the deployment of Entropy's technology, and other such similar statements. 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.*

*With respect to forward-looking statements contained in this press release, Entropy has made assumptions regarding, but not limited to: that Entropy will be able to satisfy the conditions precedent to complete the Acquisition, as expected; that the government will provide additional clarity on the federal investment tax credit and carbon price certainty; conditions in general economic and financial markets; effects of regulation by governmental agencies; current and future commodity prices and royalty regimes; future exchange rates; future royalty rates; future operating costs; availability of skilled labor; the impact of increasing competition; the anticipated amount of CO<sub>2</sub> captured, stored and offset; that Entropy will have sufficient financial resources required to fund their capital and operating expenditures and requirements as needed; 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.*

*These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond Entropy's control, including, but not limited to: changes in general economic, market and business conditions; industry conditions; changes in tax laws and incentive programs; competition; 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; 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; and the ability to obtain required approvals of regulatory authorities.*

*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 Entropy will derive therefrom. 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.*

*The following abbreviations and terms used in this press release have the meanings set forth below:*

*CO<sub>2</sub> carbon dioxide  
tonnes per  
tpa annum*

SOURCE Advantage Energy Ltd.

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<https://advantageog.mediaroom.com/2025-06-23-Entropy-Enters-Definitive-Agreement-to-Purchase-Strategic-Carbon-Storage-Assets>