NEWS RELEASE

Kiwetinohk Energy announces 2025 budget

Calgary, Alberta – December 16, 2024 – Kiwetinohk Energy Corp. (“Kiwetinohk” or the “Company”) (TSX: KEC) today provided its 2025 budget, 2026 outlook and a fourth quarter operational update.

Message to shareholders

“In 2024 Kiwetinohk is expected to deliver almost 20% production growth while maintaining one of the strongest operating netbacks in our peer group. Looking ahead to 2025, we're encouraged by delineation and testing of our emerging Simonette Montney play. Our 2025 budget and plan aims for continued growth, enhanced operational flexibility in response to market conditions, and the generation and return of free funds flow with an initial focus on debt repayment,” said Pat Carlson, Chief Executive Officer.

2025 Budget objectives:

1. **Optimize Multi-Year Growth**
   Continue to develop our high-pressure liquids rich Duvernay while retaining and demonstrating the productivity of the underdeveloped Simonette Montney resource.

2. **Unlock Free Funds Flow Potential**
   Demonstrate the free funds flow[1] generation capability of the assets, supported by an owned and operated infrastructure advantage and access to natural gas markets in Chicago. Establish a capital allocation framework that prioritizes free funds flow use for debt reduction followed by returning capital to shareholders.

3. **Enhance Operational Flexibility**
   Maintain adaptability to market conditions while driving shareholder value. The 2025 Budget incorporates technology initiatives aimed at reducing per well capital costs and optimizing well design for improved productivity.

“"In our Power Division, we remain focused on the sale and financing efforts for the most advanced projects within our development portfolio. Given the continued regulatory uncertainty, aside from expenditures directly supporting these processes, we

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[1] Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Please refer to the section “Non-GAAP and other financial measures” herein for further information.

have not committed additional funds to development projects at this time. We will share updates as they become available," said Fareen Sunderji, President of Power.

2025 corporate budget and guidance overview

Annual average production

- Forecast 2025 average production of 31.0 - 34.0 Mboe/d, delivering an expected 21% growth over the midpoint of 2024 guidance through the capital program outlined below. Production in 2025 is expected to maintain a consistent liquids content, comprising 45% - 49% condensate and NGLs.

- The expected 21% production growth includes a scheduled shut-down of third-party infrastructure in Placid. This shutdown is expected to result in approximately 15% of the company's total production volumes curtailed for a 40-day period during the second quarter. In addition, the Company is forecasting an approximately 80% runtime within Simonette during the month of June to facilitate expanding processing capacity by an additional 15 MMcf/d. Together, this planned downtime is projected to reduce annualized production by approximately 1,000 boe/d.

Planned capital expenditures[2]

- Drill, complete, equip and tie-in (DCET) expenditure of $270 - $290 million. Approximately 5% of DCET relates to technology initiatives aimed at reducing per well capital costs and optimizing well design for improved productivity.

- Other spending of $20 - $25 million is required to manage growth and base production, including completing the remaining work required to expand the 5-31 gas processing plant and complete the electrification of the processing facilities in Simonette.

  Kiwetinohk's guidance contained in this news release is based on the following capital development plan, which may be revised to optimize development throughout the year:

Pad	Spud	Expected on-stream	# wells
14-29 (Simonette)	Q4/24	Q1/25	2 Duvernay, 1 Montney
01-27 (Simonette)	Q4/24 / Q1/25	Q3/25	2 Duvernay, 1 Montney
09-33 (Tony Creek)	Q1/25	Q3/25	3 Duvernay
16-19 (Placid)	Q2/25	Q3/25	2 Montney
08-23 (Simonette)	Q3/25	Q4/25	2 Duvernay, 1 Montney
06-22 (Simonette)	Q4/25	Q1/26	3 Duvernay
11-22 (Simonette)	Q4/25	Q2/26	1 Montney
09-11 (Simonette)	Q4/25	Q3/26	3 Duvernay

[2] Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Please refer to the section "Non-GAAP and other financial measures" herein for further information.

Free funds flow from operations[2]

- Adjusted funds flow from operations[2] is expected to exceed capital expenditures for the year based on the midpoint of guidance and commodity price and exchange rate sensitives outlined below, generating between $15 million and $80 million of free funds flow.

Capital expenditures secured through a robust hedging program

- Approximately 40% of forecasted oil and condensate production is hedged for 2025 at an average floor price of US$70/boe with structures that allow for upside price participation up to US$76/boe for some of the production.

- Approximately 40% of our forecasted natural gas production is hedged for 2025 with an average floor price of US$3.15/MMbtu with structures that allow for upside price participation to US$4.40/MMbtu for some of the production.

2025 detailed guidance

Kiwetinohk's annual guidance ranges provide information relevant to expectations for financial and operational results. This corporate guidance is based on various commodity price scenarios, regulatory assumptions and economic conditions and readers are cautioned that certain guidance estimates may fluctuate. Kiwetinohk will update guidance if and as required throughout the year.

Financial & Operational Guidance		2025
Production (annual average)	Mboe/d	31.0 - 34.0
Oil & liquids	%	45% - 49%
Natural gas [1]	%	51% - 55%
Financial		
Royalty rate	%	6% - 8%
Operating costs	$/boe	$7.25 - $7.75
Transportation	$/boe	$6.00 - $6.25
Corporate G&A expense [2]	$/boe	$1.95 - $2.15
Cash taxes [3]	$MM	$—
Upstream Capital [5]	$MM	$290 - $315
DCET [4]	$MM	$270 - $290
Plant expansion, production maintenance and other	$MM	$20 - $25
Annual Adjusted Funds Flow from Operations commodity pricing sensitivities [5]		
US$60/bbl WTI & US$3.00/MMBtu HH & $0.72 USD/CAD	CAD$MM	$300 - $335
US$70/bbl WTI & US$3.50/MMBtu HH & $0.72 USD/CAD	CAD$MM	$360 - $400
US$ WTI +/- $1.00/bbl [6]	CAD$MM	+/- $4.3
US$ Chicago +/- $0.10/MMBtu [6]	CAD$MM	+/- $4.7
CAD$ AECO 5A +/- $0.10/GJ [6]	CAD$MM	+/- $0.1
Exchange Rate (USD/CAD) +/- $0.01 [6]	CAD$MM	+/- $3.6
Annual Net debt to Adjusted Funds Flow from Operations sensitivities [5]		
US$60/bbl WTI & US$3.00/MMBtu HH & $0.72 USD/CAD	X	0.8x - 1.0x
US$70/bbl WTI & US$3.50/MMBtu HH & $0.72 USD/CAD	X	0.5x - 0.6x

1 – Chicago sales of ~90% expected for 2025
2 - Includes G&A expenses for all divisions of the Company - corporate, upstream, power and business development.
3 - The Company expects to pay immaterial cash taxes on its US subsidiary annually. No Canadian taxes are anticipated in 2025.
4 - Approximately 5% of DCET relates to technology initiatives aimed at reducing per well capital costs and optimizing well design for improved productivity.
5 - Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Please refer to the section “Non-GAAP Measures” herein. Other key assumptions are set forth in the table.
6 - Assumes US$65/bbl WTI, US$3.25/mmbtu HH, US$0.80/mmbtu HH - AECO basis diff, $0.72 USD/CAD.

2026 outlook and capital allocation guidance

With consistently top-performing wells in the Duvernay, owned infrastructure, key egress access, and robust operating netbacks in a moderating commodity price environment, Kiwetinohk is well positioned for the future. The operating plans underlying the 2026 outlook allows Kiwetinohk to remain nimble and flexible to adapt to market conditions, optimize operations and generate free funds flow as the Company moves towards our 40,000 boe/d production target.

Key elements of the 2026 outlook:

- **Production growth**
  Projected production growth of approximately 15% over the midpoint of 2025 guidance, reaching an expected annual range of 35.0 - 39.0 Mboe/d.

- **Capital requirements**
  Under current development plans, the upstream division will require an estimated $300 - $350 million of capital in 2026.

- **Sustaining capital**
  Kiwetinohk expects to be able to sustain mid-point 2025 production levels of 32.5 Mboe/d for approximately $200 - $220 million of capital with sufficient inventory to sustain this production level for an extended period.

Return of capital framework:

As noted above, under a range of commodity price outlooks, the Company is expected to generate free funds flow in 2025 and 2026 to allow for a return of capital to shareholders.

- Kiwetinohk will take a measured approach to its capital allocation strategy that will prioritize a balance of production growth and debt repayment to strengthen the balance sheet.

- Once debt levels have been reduced, a return of capital framework is expected to be introduced to weigh share buybacks and other forms of shareholder returns against other opportunities to create value for shareholders.

Kiwetinohk’s 2026 plans are subject to board approval and may change with the result that 2026 outlooks would change accordingly. Capital investment decisions and the highest value return of capital strategy will be re-evaluated annually or as market conditions dictate.

Fourth quarter operations and corporate update

Production is expected to achieve near the midpoint of 2024 annual guidance.

In late November, the 8-23 pad in Simonette was brought on-stream, including two Duvernay wells and one Simonette Montney well. Although still in the early days, a second result from the Simonette Montney in 2024 has strengthened our confidence to advance additional delineation drilling. In September the 1-27 pad was brought on-stream as reported in the third quarter results. These wells (1 Duvernay / 1 Montney) continue to flow at steady rates now more than two months into production. This pad also includes the first Simonette Montney well drilled by the Company.

Current production wellhead rates from new wells is summarized below:

Pad	On-stream	# wells	Natural gas + associated liquids (MMcf/d)	Condensate (bbl/d)	Average production per well (boe/d)	% Condensate
8-23 (Simonette)	November	2 Duvernay	10.0	1,300	2,960	44%
8-23 (Simonette)	November	1 Montney	1.0	450	620	73%
1-27 (Simonette)	September	1 Duvernay	11.5	550	2,460	22%
1-27 (Simonette)	September	1 Montney	7.5	550	1,800	31%

Kiwetinohk will continue to develop the Simonette Montney, with a third Montney well currently underway, and three additional wells included in the 2025 drilling program. These delineation wells are crucial for de-risking the significant production potential of this underdeveloped resource play, which overlays and complements Kiwetinohk's leading Duvernay asset base.

About Kiwetinohk

Kiwetinohk produces natural gas, natural gas liquids, oil and condensate and is a developer of renewable and natural gas power projects, and early stage carbon capture and storage opportunities, in Alberta.

Kiwetinohk's common shares trade on the Toronto Stock Exchange under the symbol KEC. Additional details are available within the documents available on Kiwetinohk's website at kiwetinohk.com and SEDAR+ at www.sedarplus.ca.

Oil and gas advisories

For the purpose of calculating unit costs, natural gas is converted to a barrel of oil equivalent using six thousand cubic feet of natural gas equal to one barrel of oil unless otherwise stated. The term barrel of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio for gas of 6 Mcf:1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from an energy equivalency of 6:1, utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

This news release includes references to sales volumes of "crude oil" "oil and condensate", "NGLs" and "natural gas" and revenues therefrom. National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, includes condensate within the NGLs product type. The Company has disclosed condensate as combined with crude oil and separately from other NGLs since the price of condensate as compared to other NGLs is currently significantly higher, and the Company believes that this crude oil and condensate presentation provides a more accurate description of its operations and results therefrom. Crude oil therefore refers to light oil, medium oil, tight oil, and condensate. NGLs refers to ethane, propane, butane, and pentane combined. Natural gas refers to conventional natural gas and shale gas combined.

References to short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter, and are therefore not indicative of long term performance or recovery. Investors are encouraged not to place reliance on such rates when assessing the Company's aggregate production.

Forward looking information

Certain information set forth in this news release contains forward-looking information and statements including, without limitation, management's business strategy, management's assessment of future plans and operations. Such forward-looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "project", "potential", "may" or similar words suggesting future outcomes or statements regarding future performance and outlook. Readers are cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company.

In particular, this news release contains forward-looking statements pertaining to the following:

- the Company's expectations regarding 2024 annual results;
- the Company's expectations regarding free funds flow generation in 2025 and the allocation of free funds flows;
- the Company's ability to demonstrate the productivity of the underdeveloped Simonette Montney resource;
- the Company's capital allocation framework and priorities;
- the expectation that third-party shutdowns will be completed within expected timelines and the impact to production therein;
- the investment required in 2025 and 2026 to achieve production targets;

- the Company’s ability to achieve its 40,000 boe/d production target;
- the Company’s expectations regarding sustaining capital at 2025 production levels;
- timelines to complete an expansion of 15 MMcf/d of infrastructure and the related impact to annual production;
- DCET of certain wells and expected costs there of;
- drilling and completion activities on certain wells and pads, including cost efficiencies going forward, and the expected timing for certain pads to be brought on-stream;
- the ability of the asset base to provide a high rate of return;
- the anticipated production of certain wells under development, the timing thereof, and the resulting growth profile of production;
- the Company’s 2025 capital expenditures budget and allocations thereof;
- the anticipated use of additional hedges to protect cashflows;
- the Company's expectations regarding power expenditures in 2025;
- the Company’s detailed 2025 guidance targets;
- the Company’s summarized 2026 outlook;
- the Company’s expectation of achieving near the mid-point of 2024 production guidance range;
- the Company’s expectations regarding cash taxes and when they are expected to be paid by the Company;
- the Company’s expectations regarding a return of capital framework and allocation of capital;
- the Company’s business strategies, objectives, focuses and goals and expected or targeted performance and results;

Statements relating to reserves are also deemed to be forward looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

In addition to other factors and assumptions that may be identified in this news release, assumptions have been made regarding, among other things:

- the ability to finance the 2025 capital program;
- the ability to utilize technology to reduce per well capital costs and improve productivity;
- the ability to maximize shareholder value in the short and longer term;
- the ability to demonstrate the full economic potential of the Company’s resource;
- the ability to achieve recognition of the value of the Company’s Montney lands;
- the ability to negotiate deal structures and terms on the Company’s power projects;
- the expected future cost of the power portfolio;
- the Company’s expectation of reduced risk and the ability to increase successfully completed lateral length and the resulting increase in productivity and recovery per unit of completed lateral length;
- the timing and costs of the Company's capital projects, including drilling and completion of certain wells;

- the impact of increasing competition;
- the impact of potential future tariffs;
- the general stability of the economic and political environment in which the Company operates;
- the Company's expectations regarding well performance, operational timelines and performance;
- general business, economic and market conditions;
- royalty rates, costs, exchange rates and interest rates;
- the Company's expectations on value generation related to its power portfolio;
- the Company's ability to deliver additional value to shareholders;
- the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner;
- future commodity and power prices;
- the regulatory framework regarding royalties, taxes, power, renewable and environmental matters in the jurisdictions in which the Company operates;
- the ability of the Company to obtain the required capital to finance its exploration, development and other operations and meet its commitments and financial obligations;
- the ability of the Company to secure adequate product processing, transportation, fractionation and storage capacity on acceptable terms and the capacity and reliability of facilities;
- the impact of war, hostilities, civil insurrection, pandemics (including Covid-19), instability and political and economic conditions (including the ongoing Russian-Ukrainian conflict and conflict in the Middle East) on the Company;
- the ability of the Company to successfully market its products;
- expectations regarding access of oil and gas leases in light of caribou range planning; and
- the Company's operational success and results being consistent with current expectations.

Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions that have been used. Although the Company believes that the expectations reflected in such forward- looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements as the Company can give no assurance that such expectations will prove to be correct.

Forward-looking statements or information involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by the Company and described in the forward-looking statements or information. These risks and uncertainties include, among other things:
- those risks set out in the Annual Information Form (AIF) under “Risk Factors”;
- the ability of management to execute its business plan;
- general economic and business conditions;
- risks of war, hostilities, civil insurrection, pandemics (including Covid-19), instability and political and economic conditions (including the ongoing Russian-Ukrainian conflict and conflict in the Middle East) in or affecting jurisdictions in which the Company operates;

- the risks of the power and renewable industries;
- operational and construction risks associated with certain projects;
- the possibility that government policies or laws may change or governmental approvals may be delayed or withheld;
- risks relating to regulatory approvals and financing;
- the ability to market in Alberta for power projects;
- uncertainty involving the forces that power certain renewable projects;
- uncertainty regarding provincial and federal electricity regulations and policies;
- the Company's ability to enter into or renew leases;
- potential delays or changes in plans with respect to power and solar projects or capital expenditures;
- risks associated with rising capital costs and timing of project completion;
- fluctuations in commodity and power prices, foreign currency exchange rates and interest rates;
- risks inherent in the Company's marketing operations, including credit risk;
- health, safety, environmental and construction risks;
- risks associated with existing and potential future lawsuits and regulatory actions against the Company;
- uncertainties as to the availability and cost of financing;
- the ability to secure adequate processing, transportation, fractionation and storage capacity on acceptable terms;
- processing, pipeline and fractionation infrastructure outages, disruptions and constraints;
- financial risks affecting the value of the Company's investments; and
- other risks and uncertainties described elsewhere in this document and in Kiwetinohk's other filings with Canadian securities authorities.

Readers are cautioned that the foregoing list is not exhaustive of all possible risks and uncertainties.

The forward-looking statements and information contained in this news release speak only as of the date of this news release and the Company undertakes no obligation to publicly update or revise any forward-looking statements or information, except as expressly required by applicable securities laws.

Non-GAAP and other financial measures

This news release uses various specified financial measures including “non-GAAP financial measures”, “non-GAAP financial ratios” and “capital management measures”, as defined in National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* and explained in further detail below. These non-GAAP and other financial measures presented in this news release should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS and should be read in conjunction with the Financial Statements and MD&A. Readers are cautioned that these non-GAAP measures do not have any standardized meanings and should not be used to make comparisons between Kiwetinohk and other companies without also taking into account any differences in the method by which the calculations are prepared.

Please refer to the Company's MD&A as at and for the three and nine months ended September 30, 2024, under the section "Non-GAAP and other financial measures" for a description of these measures, the reason for their use and a reconciliation to their closest GAAP measure where applicable. The Company's MD&A is available on Kiwetinohk's website at kiwetinohk.com or its SEDAR+ profile at www.sedarplus.ca.

Non-GAAP Financial Measures

Capital expenditures, capital expenditures and net acquisitions (dispositions), operating netback and adjusted operating netback are measures that are not standardized measures under IFRS and might not be comparable to similar financial measures presented by other companies.

The most directly comparable GAAP measure to capital expenditures and capital expenditures and net acquisitions (dispositions) is cash flow used in investing activities. The most directly comparable GAAP measure to operating netback and adjusted operating netback is commodity sales from production.

Capital Management Measures

Adjusted funds flow from operations, free funds flow (deficiency) from operations, adjusted working capital surplus (deficit), net debt to annualized adjusted funds flow from operations and net debt to adjusted funds flow from operations are capital management measures that may not be comparable to similar financial measures presented by other companies. These measures may include calculations that utilize non-GAAP financial measures and should not be considered in isolation or construed as alternatives to their most directly comparable measure disclosed in the Company's primary financial statements or other measures of financial performance calculated in accordance with IFRS.

Supplementary Financial Measures

This news release contains supplementary financial measures expressed as: (i) adjusted funds flow (ii) petroleum and natural gas sales, revenue, operating costs, and transportation, and (iii) royalty rate.

Metrics presented on a $/boe basis are calculated by dividing the respective measure, as applicable, over the referenced period by the aggregate applicable units of production (boe) during such period.

Royalty rate is calculated by dividing royalties by petroleum and natural gas sales less royalty and other revenue.

Future oriented financial information

Financial outlook and future-oriented financial information referenced in this news release about prospective financial performance, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. These projections contain forward-looking statements and are based on a number of material assumptions and factors set out above and are provided to give the reader a better understanding of the potential future performance of the Company in certain areas. Actual results may differ significantly from the projections presented herein. These projections may also be considered to contain future oriented financial information or a financial outlook. The actual results of the Company's operations for any period will likely vary from the amounts set forth in these projections, and such variations may be material. See "Risk Factors" in the Company's AIF published on the Company's profile on SEDAR+ at www.sedarplus.ca for a further discussion of the risks that could cause actual results to vary. The future oriented financial information and financial outlooks contained in this news release have been approved by management as of the date of this news release. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein.

Market and Industry Data

This news release includes historical, current and forecast market and industry data that has been obtained from third party or public sources. Although management of Kiwetinohk believes such information to be reliable, none of such information has been independently verified by Kiwetinohk.

Abbreviations

$/boe	dollars per barrel equivalent
AIF	Annual Information Form
boe	barrel of oil equivalent, including crude oil, condensate, natural gas liquids, and natural gas (converted on the basis of one boe per six Mcf of natural gas)
boe/d	barrel of oil equivalent per day
Mcf	thousand cubic feet
Mcf/d	thousand cubic standard feet per day
MD&A	Management Discussion & Analysis
MMcf/d	million cubic feet per day
NGLs	natural gas liquids, which includes butane, propane, and ethane

For more information on Kiwetinohk, please contact:

Investor Relations
IR email: IR@kiwetinohk.com
IR phone: (587) 392-4395

Pat Carlson, CEO
Jakub Brogowski, CFO