



NEWS RELEASE

Kiwetinohk Announces a Cash Sale for \$24.75 Per Share under Arrangement Agreement with Cygnet Energy Ltd.

Calgary, Alberta – October 28, 2025 – Kiwetinohk Energy Corp. (TSX: KEC) (“Kiwetinohk” or the “Company”) and Cygnet Energy Ltd. (“Cygnet” or the “Purchaser”), a private exploration and production company backed by respective investment funds managed by NGP Energy Capital Management (“NGP”), ARC Financial Corp. (“ARC Financial”), and global investment firm Carlyle (“Carlyle” NASDAQ: CG), announce that they have entered into an arrangement agreement (the “Arrangement Agreement”), under which Cygnet will acquire all of the issued and outstanding common shares of Kiwetinohk (the “Shares”) for cash consideration of \$24.75 per Share by way of a plan of arrangement (the “Arrangement”) under the *Canada Business Corporations Act*.

Pursuant to the terms of the Arrangement, 22% or 6,060,606 Shares (the “Rollover Shares”) owned by ARC Financial (the “Rollover Shareholders”) will be exchanged for shares of Cygnet.

The Arrangement has been unanimously approved by Kiwetinohk’s Board of Directors (the “Board”) (with conflicted directors abstaining). A special meeting (the “Special Meeting”) of holders of Shares (the “Kiwetinohk Shareholders”) will be held on or about December 16, 2025, to consider and vote on the Arrangement. Closing will occur thereafter upon satisfaction or waiver of all conditions, including required shareholder approvals, court approval and customary closing conditions.

Speaking on behalf of Kiwetinohk’s management and the Board, Pat Carlson, Chief Executive Officer said “Since formation in 2018, Kiwetinohk has grown into a premium unconventional growth company differentiated by peer leading netbacks, high quality liquids rich Duvernay assets, an overlapping Montney resource with significant future potential, owned and operated infrastructure and access to the premium Chicago market for natural gas. In 2025, we initiated a broad business strategy review (the “Business Strategy Review”) process in an effort to maximize value for our shareholders and deliver a return on capital aligned with the inherent value that has been built over the past seven years.

“After reviewing all of our available options, with the benefit of input from our financial advisors at National Bank Capital Markets and RBC Capital Markets and our legal advisors at Stikeman Elliott LLP, the Board has determined that the Arrangement is the best alternative in the current market. This Arrangement represents a successful conclusion of the Business Strategy Review and achieves a 63% premium to our share price prior to announcing the Business Strategy Review, reflective of Kiwetinohk’s high quality asset base and notable operational achievements.”

Arrangement Highlights

- **Attractive value for Shareholders from Business Strategy Review** - The Arrangement was determined to be the preferred strategic alternative for the Kiwetinohk Shareholders following a comprehensive and broad strategic review process. Relevant deal metrics of:
 - Enterprise value (“EV”) of \$1.4 billion.
 - Premium to the Total Proved NPV15 (BT) reserve value of \$1.3 billion outlined in the 2024 year-end reserve report.
 - EV / 2025 estimated adjusted funds flow from operations of 3.5x¹.
 - EV / 2025 estimated production of \$41,500/boe/d¹.
- **Significant premium generated through Business Strategy Review** - Compared to the Company’s March 5, 2025 closing share price of \$15.20 on the Toronto Stock Exchange prior to the initial announcement of the Business Strategy Review, Kiwetinohk Shareholders will realize a 63% premium.
- **All cash consideration** - Kiwetinohk Shareholders will receive \$24.75 per Share (excluding the Rollover Shares) to be settled fully with cash consideration provided primarily by NGP and Carlyle. The Arrangement is not subject to any financing conditions.
- **Independent review** - A special committee of independent directors (the “Special Committee”) of Kiwetinohk was formed to consider various transaction alternatives including Cygnet’s proposal to acquire all of the outstanding Shares, as well other alternatives available to the Company including the status quo. After an extensive review process and after receiving independent legal and financial advice and the Peters & Co. Limited Fairness Opinion and independent Formal Valuation (each as defined below), the Special Committee unanimously recommended that the Board approve the Arrangement.
- **Formal Valuation and Fairness Opinions** - The Special Committee retained Peters & Co. Limited as independent valuator to prepare a formal valuation of the Shares other than the Rollover Shares (the “Formal Valuation”). Peters & Co. Limited has delivered a verbal opinion that, as of October 27, 2025, and subject to the assumptions, limitations and qualifications to be set out in the written Formal Valuation, the fair market value of the Shares is in the range of \$22.00 and \$27.00 per Share. In addition, Peters & Co. Limited has provided a verbal fairness opinion to the Special Committee that as of the date thereof, and based upon and subject to the various assumptions, limitations and qualifications set forth therein, the consideration to be received by Kiwetinohk Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) pursuant to the Arrangement is fair, from a financial point of view, to such shareholders (other than the Rollover Shareholders) (the “Peters & Co. Fairness Opinion”). In addition, National Bank Capital Markets has provided a verbal fairness opinion to the Board that the consideration to be received by Kiwetinohk Shareholders (other than the Rollover

¹ Based on midpoint of current guidance

Shareholders in respect of their Rollover Shares) pursuant to the Arrangement is fair, from a financial point of view, to such shareholders (the “NBF Fairness Opinion, and with the Peters & Co. Fairness Opinion, the “Fairness Opinions”).

- **Strong support** - The Special Committee and the Board (with representatives of the Rollover Shareholders abstaining from voting), have unanimously recommended that shareholders vote in favour of the Arrangement. Additionally, Kiwetinohk shareholders representing approximately 79% of the outstanding Shares, including 38% of the minority shares (see shareholder support below), have agreed to support the Arrangement, subject to customary fiduciary protections.

Special Committee and Recommendation of the Kiwetinohk Board

As part of the Business Strategy Review process, the Board formed the Special Committee to consider various transaction alternatives, including Cygnet’s proposal to acquire all of the outstanding Shares, as well other alternatives available to the Company including the status quo. Following a comprehensive review of the Cygnet proposal, potential alternatives, and negotiations overseen by the Special Committee between Kiwetinohk and Cygnet as to the purchase price per common Share and other terms of the Arrangement, and following the receipt of the independent Formal Valuation and the Peters & Co. Fairness Opinion in respect of the fairness, from a financial point of view, of the consideration to be received by Kiwetinohk shareholders (other than the Rollover Shareholders) under the Arrangement and advice from its financial and legal advisors, the Special Committee unanimously determined that the Arrangement is in the best interests of Kiwetinohk Shareholders and recommended that the Board approve the execution and delivery of the Arrangement Agreement.

After considering, among other things, the unanimous recommendation of the Special Committee, the receipt of advice from its financial and legal advisors, and the receipt of a Fairness Opinion from National Bank Capital Markets, the Board (with director representatives of ARC Financial abstaining) unanimously determined that the Arrangement is in the best interests of Kiwetinohk and is fair to Kiwetinohk Shareholders (other than the Rollover Shareholders), approved the execution and delivery of the Arrangement Agreement, and recommends that the Kiwetinohk Shareholders (other than the Rollover Shareholders) vote in favour of the Arrangement resolution at the Special Meeting.

Shareholder Support

The Arrangement requires approval by:

- at least 66 2/3% of the votes cast by Kiwetinohk Shareholders present in person or represented by proxy at the Special Meeting; and
- a majority of the votes cast by Kiwetinohk Shareholders, excluding the votes cast by the Rollover Shareholders and other Kiwetinohk Shareholders required to be excluded under Multilateral Instrument - Protection of Minority Security Holders in Special Transactions (“MI 61-101”). For the purposes of this “majority of the

minority" approval requirement under MI 61-101, 28.6 million Shares controlled, directly or indirectly, by the Rollover Shareholders and Shares held by Patrick Carlson will be excluded from voting.

All of the directors and officers of Kiwetinohk, as well as the Company's two largest institutional shareholders ARC Financial and Luminus Energy IE Designated Activity Company, have entered into voting support agreements pursuant to which they have agreed, subject to the terms thereof, to vote their Shares, representing in aggregate 79% of the issued and outstanding Shares, including 38% of the minority shares, in favour of the Arrangement.

Power Business Update

Kiwetinohk's process to exit the power business has advanced and the Company has sold or cancelled six out of seven of its Power projects with aggregate sales proceeds of approximately \$26.7 million to date. The power assets will be fully exited prior to the close of the Arrangement.

Management Information Circular

Further details with respect to the Arrangement, including the Formal Valuation and Fairness Opinions, will be included in the management information circular to be mailed to the Kiwetinohk Shareholders in connection with the Special Meeting to be held on or about December 16, 2025, with closing of the Arrangement to occur thereafter upon satisfaction or waiver of all conditions. Closing is currently anticipated to occur in mid to late December 2025. Once available, a copy of the Arrangement Agreement and the information circular (the "Circular") will be filed on Kiwetinohk's SEDAR+ profile and will be available for viewing at www.sedarplus.ca.

Advisors

National Bank Capital Markets and RBC Capital Markets are acting as financial advisors to Kiwetinohk (collectively the "Advisors") in connection with the Business Strategy Review and the Arrangement.

Peters & Co. Limited provided an independent Formal Valuation and fairness opinion to the Special Committee.

Stikeman Elliott LLP is acting as legal advisor to KEC and its Special Committee.

Conference Call Information

Kiwetinohk management will host a conference call on October 28, 2025, at 2:30 PM MT (4:30 PM ET) to discuss the Arrangement and answer questions. Participants can listen to the conference call by dialing 1-800-715-9871 (North America toll free) or 647-932-3411 (Toronto and area). A replay of the call will be available until November 4, 2025, at 1-800-770-2030 (North America toll free) or 647-362-9199 (Toronto and area) by using the code 9866204.

About Kiwetinohk

Kiwetinohk produces natural gas, natural gas liquids, oil and condensate.

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

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, among other things: the 2025 estimated adjusted funds flow from operations, the 2025 estimated production; the expected timing for holding the Special Meeting; the expected timing for closing the Arrangement; the consideration and expected benefits to be received by Kiwetinohk Shareholders pursuant to Arrangement; the expectation that the power assets will be fully exited prior to close of the Arrangement; the expectation of satisfying all conditions of closing; the expectation that the Circular will be filed on SEDAR+ when available; and the outcome of the current business strategy review.

In addition to other factors and assumptions that may be identified in this news release, assumptions have been made regarding, among other things: anticipated benefits of the Arrangement; the ability of Kiwetinohk to complete the Arrangement contemplated by the Arrangement Agreement and the timing thereof, including the parties ability to satisfy the conditions to consummation of the Arrangement; the receipt of Kiwetinohk Shareholder approvals; deliveries to Shareholders in connection with transmitting proxies and the Circular and the anticipated timing thereof; timing of court approvals and other customary closing conditions; the possibility of any termination of the Arrangement Agreement in accordance with its terms; payment of the cash consideration; the anticipated date of closing of the Arrangement; Kiwetinohk's business and business strategy and general business, economic and market conditions. 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, but are not limited to: failure to obtain or satisfy, in a timely manner or otherwise, required Kiwetinohk Shareholder and court approvals and other conditions to the closing of the Arrangement; the risk that the ongoing Canada Post labour dispute may impact, prevent or delay delivery of the Circular and other meeting materials for the Special Meeting to Kiwetinohk Shareholders; the risk that competing offers or acquisition proposals will be made; the negative impact that the failure to complete the Arrangement for any reason could have on the price of the Shares or on the business of Kiwetinohk; the failure of the Purchaser to satisfy the closing conditions thereunder in a timely manner or at all; the Purchaser's failure to pay the cash consideration at closing of the Arrangement; the business of Kiwetinohk may experience significant disruptions, including loss of clients or employees due to Arrangement related uncertainty, industry conditions or other factors; risks relating to employee retention; the risk of regulatory changes that may materially impact the business or the operations of Kiwetinohk; the risk that legal proceedings may be instituted against Kiwetinohk; risks related to the diversion of management's attention from Kiwetinohk's ongoing business operations while the Arrangement is pending; and other risks and uncertainties affecting Kiwetinohk, including those described in greater detail in the Company's annual information form for the year ended December 31, 2024 as well as other filings and reports Kiwetinohk may make from time to time with the Canadian securities authorities. The foregoing list of risks and uncertainties is not exhaustive.

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, other financial measures and oil & gas advisories

This news release uses various specified financial measures including "non-GAAP financial measures", "non-GAAP ratios", and "supplementary financial measures", in each case, as defined in National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure* and explained in further detail below. The 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 Company's most recent Financial Statements and MD&A for more information on the definition and description of these terms. 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.

Reserves Data

Reserves data set forth in this news release is based upon an evaluation of the Company's reserves prepared by McDaniel & Associates Consultants Ltd. dated March 4, 2025 and effective December 31, 2024 (the "McDaniel Report"). The reserves referenced in this news release are gross reserves. The price forecast used in the McDaniel Report is the three consultant average forecast prices of McDaniel & Associates Consultants Ltd., GLJ Ltd. and Sproule Associates Limited as of January 1, 2025 price forecast. The estimates of reserves contained in the McDaniel Report and referenced in this news release are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates contained in the McDaniel Report and referenced in this news release. There is no assurance that the forecast prices and costs assumptions used in the McDaniel Report will be attained, and variances could be material. Estimated future net revenue does not represent fair market value. Readers should refer to the Company's annual information form for the year ended December 31, 2024, available on Kiwetinohk's website at www.kiwetinohk.com and the Company's profile on SEDAR+ at www.sedarplus.ca, for a complete description of the McDaniel Report (including reserves by the specific product types of shale gas, conventional natural gas, NGLs, tight oil and light and medium crude oil) and the material assumptions, limitations and risk factors pertaining thereto.

For more information on Kiwetinohk, please contact:

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