NEWS RELEASE

Kiwetinohk accelerates 2022 upstream development program, increases 2022 guidance and provides 2023 outlook

Calgary, Alberta – May 18, 2022 – Kiwetinohk Energy Corp. (TSX: KEC) today announced an acceleration and expansion of its 2022 upstream operational program, resulting in increased 2022 guidance. The momentum of the upstream program, as announced in conjunction with the Company's first quarter results last week, and the ability to secure field services to tighten drilling and completion schedules will accelerate the tie-in of six wells and add five new wells to the 2022 drilling program.

"Benefiting from strong netbacks in this commodity price environment, we are investing to increase production and fill our wholly-owned facilities which we expect to reduce per-barrel operating costs. We are able to do this more quickly than expected at the beginning of this year and still maintain a strong balance sheet. We are effectively adding about 2,000 barrels of oil equivalent per day and five wells to the 2022 program. All considered, we expect to exit the year with similar balance sheet metrics as we guided to in January when we first listed for trading on the TSX," said CEO Pat Carlson.

Following strong first quarter operational and financial performance, Kiwetinohk's Board of Directors has approved a $65 - $70 million 2022 capital program acceleration to drill and complete five additional Simonette wells during the second half of 2022. Kiwetinohk now targets approximately 65 - 75% production growth in average quarterly volumes from Q1 2022 levels of 13,253 boe/d to Q1 2023 levels of 22,000 - 23,000 boe/d. Most production from the newly added wells is scheduled to come onstream in early 2023, accelerating significant free cash flow generation and debt repayment beginning early next year.

Updated guidance & 2023 outlook

The increase to the 2022 guidance is largely a result of the accelerated tie-in schedule with only a modest contribution from the newly added wells. Of the five new wells, two are expected to be tied-in late in the fourth quarter while the remaining three are to be tied-in to produce in early 2023, largely making the new well additions a 2023 outcome to continue the Company's strong growth profile into next year.

These 2022 program changes allow Kiwetinohk to increase its 2022 annual average production guidance by 1,500 boe/d in addition to the increase of 500 boe/d announced with first quarter results last week that reflected strong base production performance. 2022 production guidance is now set at an average of 15,000 - 17,000 boe/d, an increase of approximately 14% from mid-point to mid-point (of the guidance range) from initial 2022 guidance provided in January and approximately 10% increase from guidance updated last week.

The 2022 upstream capital budget has been increased to a range between $265 to $290 million with the focus remaining in the Fox Creek area. The Company now plans to drill 16 gross wells during the year, an increase from the 11 originally planned. However, given the additional cash flow expected due to the acceleration, the net incremental capital requirement is approximately $15 - $20 million to add five additional wells to the 2022 program. The capital program is expected to be fully funded from cash flow from operating activities and available debt capacity and is anticipated to deliver strong production and cash flow growth into 2023. While Kiwetinohk maintains its corporate G&A expense for 2022, the Company continues to build out its upstream and green energy teams.

The following table sets forth Kiwetinohk's revised and original capital expenditures and production guidance for 2022:

Operational & financial guidance		Revised May 18, 2022	Revised May 12, 2022	Original January 12, 2022
Production (2022 average) [1]	Mboe/d	**15.0 - 17.0**	13.5 - 15.5	13.0 - 15.0
Oil & liquids	Mbbl/d	**7.5 - 8.5**	6.75 - 7.75	6.50 - 7.50
Natural gas	MMcf/d	**45 - 51**	40.5 - 46.5	39 - 45
Production by market [2]	%	**100%**	100%	100%
Chicago	%	**80% - 85%**	80% - 85%	87% - 97%
AECO	%	**15% - 20%**	15% - 20%	3% - 13%
Financial				
Royalty rate (Crown)	%	**11% - 14%**	12% - 15%	12% - 15%
Operating costs [1]	$/boe	**$7.50 - $8.50**	$7.50 - $8.50	$7.50 - $8.50
Transportation	$/boe	**$5.00 - $6.00**	$5.00 - $6.00	$5.00 - $6.00
Corporate G&A expense [3]	$MM	**$15 - $18**	$15 - $18	$15 - $18
Cash taxes	$MM	**$0**	$0	$0
Capital guidance	**$MM**	**280 - 310**	**215 - 240**	**210 - 240**
Upstream	$MM	**265 - 290**	200 - 220	200 - 220
Green Energy	$MM	**15 - 20**	15 - 20	10 - 20
Drilling - Fox Creek	wells	**16**	11	11
Duvernay	wells	**15**	10	10
Montney	wells	**1**	1	1
Sensitivities				
2022 Adjusted Funds Flow from Operations [4, 5, 6]				
US$70/bbl WTI & US$3.75/MMBtu HH	$MM	**$190 - $200**	$165 - $175	$145 - $155
US$80/bbl WTI & US$4.25/MMBtu HH	$MM	**$210 - $220**	$180 - $190	$165 - $175
2022 Net debt to Adjusted Funds Flow from Operations [4, 5, 6]				
US$70/bbl WTI & US$3.75/MMBtu HH	x	**0.7x**	0.7x	1.0x
US$80/bbl WTI & US$4.25/MMBtu HH	x	**0.6x**	0.6x	0.7x

1 – Production and cash operating costs include a provision for scheduled Fox Creek plant turnarounds.

2 – AECO sales year-to-date were higher than forecast due to timing of the Bigstone Alliance meter reactivation. AECO/Chicago split of approximately 8-13% expected for rest of year.

3 – Includes all cash G&A expenses for all divisions of the Company – Corporate, Upstream, Green Energy (power & hydrogen) and Business Development.
4 - Non-GAAP measure that does not have any standardized meaning under GAAP (as hereinafter defined) and therefore may not be comparable to similar measures presented by other entities. Please refer to the Corporation's MD&A as at and for the three months ended March 31, 2022 under the section "Non-GAAP Measures" available on Kiwetinohk's SEDAR profile at www.sedar.com.
5 – Q1/22 actual prices with US$70/Bbl WTI flat; US$3.75/MMBtu HH flat; US$0.79/CAD flat thereafter for remainder of 2022.
6 – Q1/22 actual prices with US$80/Bbl WTI flat; US$4.25/MMBtu HH flat; US$0.81/CAD flat thereafter for remainder of 2022.

The wells added to this year's capital program will further grow production into 2023 and allow Kiwetinohk to more rapidly achieve its goal of filling the Company's processing facilities at Fox Creek, which are currently operating at less than half of available capacity. Management expects average production to increase to 22,000 - 23,000 boe/d in the first quarter of 2023, up from earlier expectations of 20,000 - 21,000 boe/d. This represents expected production growth of approximately 70% from the first quarter of 2022 to the first quarter of 2023, an increase from prior expectations of approximately 55%.

The acceleration of the 2022 capital program positions Kiwetinohk to continue development of its Fox Creek asset base into 2023 while adhering to a number of key strategic principles 1) highly economic growth of upstream production, including growth of profitable natural gas available for downstream integration; 2) maintaining a robust balance sheet with debt-to-adjusted-funds-flow from operations [5] expected to stay comfortably below 1.0x at long-term US$70/bbl and US$80/bbl WTI prices; 3) optimization of owned infrastructure to decrease operating costs, increase netbacks and lower free adjusted funds flow operations breakeven and 4) position Kiwetinohk to begin generating significant free cash from its assets at which point it will discuss future capital allocation decisions with its Board of Directors including, further capital investments in existing assets, potential acquisitions and development of a future return of capital framework for shareholders.

The following table provides an indicative full year outlook for 2023 at flat commodity prices if Kiwetinohk were to maintain a similar corporate drilling cadence to 2022. This 2023 outlook and development drilling schedule is not based on a budget or capital expenditures plan approved by the Board of Directors of the Company beyond 2022.

2023 Outlook [1]	**$70 Flat [2]**		**$80 Flat [3]**		**Production**
Activity level	**AFF [5] ($MM)**	**D/AFF [5]**	**AFF [5] ($MM)**	**D/AFF [5]**	**Boe/d**
	Low - High	Low - High	Low - High	Low - High	Low - High
2023 Outlook [4]	$315 - $355	0.4x - 0.5x	$355 - $400	0.2 - 0.3x	23,000 - 26,000

[1] The 2023 Outlook presented herein is based on an assumption of continued development drilling in Kiwetinohk's Fox Creek core area during 2023 and certain flat commodity price assumptions as detailed in the table. This 2023 outlook and development drilling schedule is not based on a budget or capital expenditures plan approved by the Board of Directors of the Company beyond 2022. See "Advisory related to the indicative 2023 Outlook" under forward looking information.
[2] Q1/22 actual prices with US$70/Bbl WTI flat; US$3.75/MMBtu HH flat; US$0.79/CAD flat thereafter for remainder of 2022 and full year 2023.
[3] Q1/22 actual prices with US$80/Bbl WTI flat; US$4.25/MMBtu HH flat; US$0.81/CAD flat thereafter for remainder of 2022 and full year 2023.
[4] Including debottlenecking capital invested in 2023 for plant expansion available in late 2023 or early 2024.
[5] Non-GAAP measure that does not have any standardized meaning under GAAP (as hereinafter defined) and therefore may not be comparable to similar measures presented by other entities. Please refer to the Corporation's MD&A as at and for the three months ended March 31, 2022 under the section "Non-GAAP Measures" available on Kiwetinohk's SEDAR profile at www.sedar.com

Risk Management

The Company continues to pursue an active and prudent risk management policy designed to receive fixed prices, in the case of swaps, or a range of acceptable prices, in the case of collars, to offset the risk of revenue losses if commodity prices decline and to protect returns as the Company executes the annual capital program. As new production is added during the year, Kiwetinohk is taking additional time to monitor volumes as it manages flow rates and determines additional production volumes to hedge in line with the Company's risk management policy. As of May 18, approximately 36%, on average, of gross oil and condensate production volumes were hedged against WTI and approximately 49%, on average, of gross natural gas volumes were hedged against Henry Hub using swaps and collars for the remainder of 2022. Recent higher volatility in commodity prices has increased the risk of swap contracts and collars have widened, as a result, Kiwetinohk will look more to wider collars and put options, to systematically add hedges to our 2022 production. The aim of the risk management strategy is to provide attractive floors on commodity prices to protect returns while maximizing upside. Additional details of the current hedges in place can be found in the corporate presentation on the Company website (www.kiwetinohk.com).

About Kiwetinohk

We, at Kiwetinohk, are passionate about climate change and the future of energy. Kiwetinohk's mission is to build a profitable energy transition business providing clean, reliable, dispatchable, low-cost energy. Kiwetinohk develops and produces natural gas and related products and is in the process of developing renewable power, natural gas-fired power, carbon capture and hydrogen clean energy projects. We view climate change with a sense of urgency, and we want to make a difference.

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 www.kiwetinohk.com and SEDAR at www.sedar.com.

Advisories

This news release is for informational purposes only and is not intended to and does not constitute, or form any part of, an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities in any jurisdiction, nor shall there be any sale or issuance of securities in any jurisdiction in contravention of applicable law or regulation. In particular, this news release is not an offer of securities for sale in Canada or the United States.

Oil and Gas Disclosure

The term "boe" may be misleading, particularly if used in isolation. A boe conversion rate of six thousand cubic feet of natural gas per barrel of oil (6 mcf:1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and do 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.

Forward looking information

Certain information set forth in this news release contains forward-looking information and statements. 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" 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 timing for drilling, completing and bringing certain wells on-stream and the cost and timing thereof;
- the Company’s 2022 updated operational, financial and capital guidance, including average production, adjusted funds flow from operations, net debt to adjusted funds flow from operations, capital, royalty rates, operating costs, transportation, taxes, general and administrative expenses;
- plant debottlenecking costs, timing and results;
- the Company’s 2023 first quarter average production and year over year growth from first quarter 2022;
- the Company’s anticipated hedging plans and commodity price risk management strategies;
- the Company’s demonstrative 2023 outlook, including average production, adjusted funds flow from operations and net debt to adjusted funds flow from operations; and
- debt repayment, the effect of the accelerated and expanded 2022 upstream program on the Company’s balance sheet and the Company’s net debt.

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

- the timing and costs of the Company's capital projects, including drilling, completing and tying-in of certain wells;
- 2022 and 2023 costs and debt repayment;
- the impact of increasing competition;

- the general stability of the economic and political environment in which the Company operates;
- general business, economic and market conditions;
- the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner;
- future commodity and power prices;
- currency, exchange and interest rates;
- 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 the Covid-19 pandemic on the Company; and
- the ability of the Company to successfully market its products.

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 Company’s current Annual Information Form under “Risk Factors”;
- the ability of management to execute its business plan;
- general economic and business conditions;
- the risk of instability affecting the 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;
- uncertainty involving the forces that power certain renewable projects;
- 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.

Advisory related to the indicative 2023 Outlook

The Company has presented herein an indicative 2023 Outlook that provides for continued development drilling in the Company's Fox Creek core area during 2023 and certain flat commodity price assumptions as detailed herein to achieve an expected 2023 production base of 23,000 - 26,000 boe/d. The 2023 Outlook is based on a number of assumptions as discussed in this news release including, without limitation: reinvestment rates in 2022 and 2023 required to maintain production from the Company's Fox Creek core area; expected results from wells drilled in Fox Creek and expected recovery factors resulting from well designs and geological zones in the areas wells are drilled in; average production per year resulting from such strategy; expected after tax funds flow from operations; capital expenditures per year; access to capital; access to required equipment, services and supplies; expectations as to commodity prices, royalty rates, general and administrative expenses, applicable laws and regulations and certain other assumptions. Production forecasts in the 2023 Outlook are based on management's analysis and interpretation of the results from analogous wells drilled in the greater Fox Creek area and the Company's well designs. For the purposes of determining adjusted funds flow from operations and debt-to-adjusted funds flow from operations on an after-tax basis for the 2023 Outlook, the following commodity price assumptions have been utilized:

Commodity price assumptions	Units	$70 Flat	$80 Flat
WTI	US$/Bbl	$70.00	$80.00
HH	US$/MMBtu	$3.75	$4.25
AECO	C$/Mcf	$3.73	$4.26
FX	US$/C$	$0.79	$0.81

The 2023 Outlook presented in this news release is not based on a budget or capital expenditures plan approved by the Board of Directors of the Company beyond 2022 and is not intended to present a forecast of future performance or a financial outlook. In addition, such 2023 Outlook does not represent management's expectations of the Company's future performance but rather is intended to present readers insight into management's view of the opportunities associated with the Company's assets as used by management for planning and strategy purposes based on the expected commodity pricing and other assumptions used for such strategy. In addition, the 2023 Outlook does not represent an estimate of reserves or resources or the future net present value of reserves or resources.

There is no certainty that the Company will proceed with all the drilling of wells, drilling and completion designs or other capital expenditures contemplated by the 2023 Outlook and even if the Company does proceed with such plans there is no certainty that the reserves or resources recovered will match the expectations used for such 2023 Outlook base strategy. All future drilling, completion designs, and other capital expenditures will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors.

The assumptions used for the 2023 Outlook presented in this new release and the 2023 Outlook are subject to a number of risks and uncertainties including the risks set out under the forward looking advisories in this news release, the risk factors identified in this news release and the risk factors set out in the Company's annual information form for the year ended December 31 2021 which is available on SEDAR at www.sedar.com.

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 Measures

This news release contains measures that do not have a standardized meaning under generally accepted accounting principles ("GAAP") and therefore may not be comparable to similar measures presented by other entities. These performance measures presented in this document, being adjusted funds flow and net debt to adjusted funds flow, should not be considered in isolation or as a substitute for performance measures prepared in accordance with GAAP and should be read in conjunction with the consolidated financial statements of the Company. 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 months ended March 31, 2022 under the section “Non-GAAP Measures” for a description of these measures, the reason for their use and a reconciliation to their closest GAAP measure where applicable. The Corporation’s MD&A is available on Kiwetinohk’s SEDAR profile at www.sedar.com.

Future-Oriented Financial Information

Financial outlook and future-oriented financial information contained 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. In particular, this news release contains financial outlook information for the Company, including expected royalty rates, operating costs, transportation expenses, corporate G&A expenses, cash taxes, adjusted funds flow from (used in) operations, net debt and net debt to adjusted funds flow from (used in) operations. 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 current Annual Information Form published on the Company's profile on SEDAR at www.sedar.com 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.

Abbreviations

AFF	adjusted funds flow
$/bbl	dollars per barrel
$/boe	dollars per barrel equivalent
$MM	millions of dollars
bbl/d	barrels per day
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)
D/AFF	net debt to adjusted funds flow ratio
HH	Henry Hub
MMbbl/d	millions of barrels per day
MMboe/d	millions of barrels of oil equivalent per day
Mcf/d	thousand cubic standard feet per day
MMboe	million barrels of oil equivalent

MMBtu	million British thermal units
MMcf/d	million cubic feet per day
WTI	West Texas Intermediate

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