



NEWS RELEASE

Kiwetinohk provides operations update, adds solar project to Green Energy portfolio and increases bank credit facility

Calgary, Alberta – June 14, 2022 – Kiwetinohk Energy Corp. (TSX: KEC) today announced record corporate upstream production rates, the acquisition of a new early stage 150 MW solar development project with a 150 MW expansion opportunity located in Central Alberta and an increase of its credit facility.

“Kiwetinohk continues to execute on its business plan, safely and reliably increasing upstream production and increasing our inventory of high-quality, no-carbon renewable power projects as we build our position as an energy transition and ESG leader,” said CEO Pat Carlson.

Upstream update

May production averaged ~16,500 boe/d, reaching ~18,500 boe/d during the first two weeks of June. Base performance from existing wells continues to exceed expectations with two new Duvernay wells brought on-stream mid-May, increasing Kiwetinohk’s year-to-date new well total to six (4 Duvernay, 2 Montney).

The longest running well, a Duvernay producer at the 9-7 pad, achieved an IP90 (first 90-day production average) of ~1,500 boe/d, including ~4.0 MMcf/d of natural gas and ~800 bbl/d of condensate and is currently producing ~2,000 boe/d with ~6.0 MMcf/d of natural gas and ~1,000 bbl/d of condensate.

“Kiwetinohk is confident in our new Duvernay and Montney wells,” said CEO Pat Carlson. “The team continues to deliver with focus on filling our gas processing capacity and capturing market opportunities.”

Drilling at the most recent four-well pad in Simonette continues to progress efficiently with the last well expected to be drilling in the lateral within the next few days. Overall delivery of wells ahead of schedule has helped offset other industry-wide inflationary pressures. These Simonette completions are expected to commence in late June. This year’s remaining development program includes spudding nine wells on three additional pads before year-end.

Green Energy update

In May, Kiwetinohk closed the acquisition of an early-stage solar development project (Solar 3 or Phoenix) in Central Alberta with a 150 MW first phase plus an optional 150 MW expansion. Green Energy 2022 capital guidance remains unchanged at \$15-\$20 million. The Solar 3 project is in Alberta Electric System Operator (AESO) Stage 2, with

environmental studies and regulatory activities underway and a targeted final investment decision in Q3 2023.

Solar 3 represents a valuable addition to Kiwetinohk’s diversified solar and gas-fired power portfolio, which now includes 1,950 MW of total generation capacity across six projects. Solar 3 augments the Company’s existing 700 MW solar projects in southern Alberta, providing geographic diversification, expanded development alternatives, and opportunity for more construction synergies given the closely staged solar projects.

Kiwetinohk continues to advance development, environmental studies, regulatory activities and engineering cost estimates across its Green Energy portfolio. The Homestead Solar Project (Solar 1) recently advanced grid connection achieving AESO Stage 3 and with Alberta Utilities Commission review of the power plant and substation application underway. Capacity on the Alberta electrical grid will be confirmed and allocated to the 400 MW Homestead Solar Project at the conclusion of AESO Stage 3.

Kiwetinohk increased the capital cost estimate for the Homestead Solar Project to \$750 million, an increase of 15% from prior estimates which reflects inflation and supply chain challenges impacting the global solar industry. Despite increased capital costs, project economics remain strong as increased industry wide capital costs are expected to result in higher structural power prices in the Alberta market going forward. Kiwetinohk’s energy transition strategy and its efficient and responsive assets position the company to benefit from increased natural gas and electricity demand, a strong price environment and market volatility.

Early-stage Green Energy projects

	Solar 1	Firm Renewable 1	Solar 2	Solar 3	NGCC 2	NGCC 1
Capacity (nameplate)	400 MW	101 MW	300 MW	150 MW	500 MW	500 MW
Capacity (net to Grid)	400 MW	97 MW	300 MW	150 MW	460 MW	460 MW
Site control	Options secured	Land acquisition in progress	Options secured	Options secured	Land acquisition in progress	Options secured
Public consultation	Completed	Completed	Planning underway	Planning underway	Planning underway	Planning underway
Capacity factor	27.1% ¹	50% ²	27.1% ¹	27.0% ¹	90%	90%
Heat rate ⁸ (MJ/kWh: +/-5%)	-	7.6	-	-	6.0	6.0
Capital cost (\$ MM)	\$750 (Class 2)	\$156 (Class 3) ^{3, 5, 6}	\$492 (Class 3) ⁶	\$257 (Class 4) ⁶	\$875 (Class 4) ^{3, 6}	\$875 (Class 4) ^{3, 6}
Regulatory/ Environmental ⁴	AEP low risk rating; AUC application submitted	AEP and AUC applications submitted	AEP low risk rating	Work underway	Work underway	Work underway
AESO stage ⁷	3	2	1	2	2	2
Targeted FID	Q3 2022	Q4 2022	Q2 2023	Q3 2023	Q4 2023	Q3 2024
Targeted COD	Q4 2024	Q4 2024	Q2 2025	Q1 2025	Q4 2026	Q3 2027

¹ Capacity factor over 25-year project life based on DC/AC ratio of 1.35, and bifacial, single axis tracking design.

² Designed for intermittent operation. The actual dispatch will be based on market conditions and contracting.

³ Costs exclude CCUS.

⁴ Regulatory and environmental applications are filed with the Alberta Environment and Parks (AEP) and Alberta Utilities Commission (AUC).

⁵ Capital cost estimate includes USD \$102.6 MM of input costs with an assumed CAD/USD exchange rate of 0.78.

⁶ Capital costs are expected to increase due to the state of the current economic environment of inflation and supply chain challenges; specific capital cost adjustments will be applied as projects progress through engineering review stages.

⁷ Alberta Electric System Operator (AESO).

⁸ Existing gas-fired generation simple cycle heat rate 9.5, NGCC heat rate 7 as per 2021 Alberta Annual Electric Study, EDC & Associates.

Increased bank credit facility

Kiwetinohk's lending facility, including Bank of Montreal as agent and co-leads ATB Financial and National Bank of Canada, recently completed their semi-annual borrowing base redetermination, agreeing to amend the Senior Secured Extendible Revolving Facility and increase Kiwetinohk's borrowing limit by 19 percent to \$375 million from \$315 million. Other lenders in the facility include Royal Bank of Canada, Bank of Nova Scotia and Business Development Bank of Canada.

The increased borrowing limit provides:

- Ample liquidity for current operations, including letters of credit for ongoing marketing activities. Updated liquidity metrics will be provided as part of the Company's second quarter news release, expected in mid-August
- Additional funding flexibility, further bolstering the Company's strong operational cash flows, for the 2022 planned capital program
- Funding support for potential acquisition / growth opportunities

Kiwetinohk's next semi-annual credit facility borrowing base review is expected in November, 2022.

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.

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 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" 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 the Company's solar and Firm Renewable projects to reach FID;
- estimates of CCUS costs; and
- the final design, performance projection, cost estimate, full regulatory approval, internal and external funding of the Company's planned power generation projects.

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;
- 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 AIF 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.

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.

Future-Oriented Financial Information

Financial outlook and future-oriented financial information contained in this press 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 press release contains expected capital costs of the Company's proposed power generation capital projects. 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.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 press release have been approved by management as of the date of this press 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.

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