



NEWS RELEASE

Kiwetinohk reports third quarter 2024 results and provides Duvernay and Montney operations update

Calgary, Alberta – November 6, 2024 – Kiwetinohk Energy Corp. (TSX: KEC) today reported its third quarter 2024 financial and operational results. As companion documents to this news release, please review the third quarter 2024 management discussion and analysis (MD&A) and condensed consolidated interim financial statements (available on kiwetinohk.com or www.sedarplus.ca) for additional financial and operational details.

"In the third quarter, Kiwetinohk's upstream business continued to deliver strong performance in three key profitability drivers: Production increased 23% from the third quarter of 2023. Third quarter operating netback is strong and consistent in a volatile pricing environment with \$28.98/boe achieved in 2024. Wells continue to deliver as we build our Duvernay production base and demonstrate the productivity of an underdeveloped Simonette Montney resource," said Pat Carlson, Chief Executive Officer.

"Continued success in our upstream development program has encouraged us to expand our plans to include a second drilling rig to accelerate three wells previously planned to begin in the second half of 2025. Incremental capital is expected to result in a higher ratio of net debt to adjusted funds from operations in the short-term as we exit the year. With nine wells anticipated to come on-stream between now and the end of the first quarter 2025, we expect to be in a position to begin to deliver free cash flow and repay debt early in 2025. Advancing this investment provides us with flexibility to determine optimal growth levels depending on the commodity price environment. Work on our 2025 budget is well underway, and we anticipate releasing guidance later in the fourth quarter.

"In our power division, we continue to remain cautious and capital disciplined given the uncertain regulatory environment."

Third Quarter Highlights

- **Average production of 25,996 boe/d with increased liquids yields** (51% natural gas + 49% condensate and NGLs).
 - Seven new Duvernay wells and one successful Simonette Montney well on stream. On average, new development wells are producing in-line with expectations.
 - Temporarily impacted by planned outages to equip the new wells and unplanned third party restrictions.

Average peak 30-day production 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
11-24 (Tony Creek)	July	3 Duvernay	1.2	750	950	79%
10-29 (Tony Creek)	August	3 Duvernay	3.5	1,100	1,680	65%
1-27 (Simonette)	September	1 Duvernay	11.8	450	2,420	19%
1-27 (Simonette)	September	1 Montney	6.7	400	1,520	26%

In the Simonette area, our high-pressure, high liquids position continues to deliver some of the top performing wells in the Duvernay. Montney development is focused on two main benches within the formation. To date, most wells targeted the upper bench. Kiwetinohk's recent Simonette Montney well was drilled in the lower bench. The well continues to be choked back and while it is very early days, the promising results provide confidence to proceed with additional delineation wells, which could convert unbooked locations into proved reserves.

- **Strong operating netback¹ of \$28.98/boe** drove adjusted funds flow from operations¹ of \$64.7 million, bringing total year-to-date adjusted funds flow from operations to \$200.4 million or \$4.59/share.
- **Operating costs of \$7.19/boe** slightly increased from previous quarters as a result of planned maintenance but remain on track to achieve the low end of full year targets.
- **Transportation costs of \$6.04/boe remain consistent** with previous quarters. Kiwetinohk extended its Alliance capacity for an additional seven year period providing access to the Chicago market until 2032.
- **Capital expenditures (before acquisitions/dispositions)¹ of \$91.0 million** were in-line with budget, and included:
 - Completion and equipping costs for the 8 new wells noted above.
 - A continued two-rig drilling program in Simonette at Pads 8-23 (2 Duvernay, 1 Montney) and 9-11 (3 Duvernay).
- **Exited with a 0.91x net debt to annualized adjusted funds flow from operations ratio².**
 - As of September 30, 2024, after accounting for current borrowing and outstanding letters of credit, Kiwetinohk had \$232 million of available borrowing capacity under its recently renewed and expanded credit facilities.

¹ Operating netback, adjusted funds flow from operations and capital expenditures (before acquisitions/dispositions) are Non-GAAP measures that do 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.

² Net debt to annualized adjusted funds flow from operations is a 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.

Fourth quarter 2024 plans include:

- Drilling another three wells (2 Duvernay / 1 Montney) in Simonette at the 14-29 pad, which will finish drilling and be completed in early 2025.
- Completion of the three well (2 Duvernay / 1 Montney) program at the 8-23 pad. These wells are expected to be on stream later in the fourth quarter.
- Completion of the three Duvernay wells at 9-11 which are expected to be on stream early in the new year.
- Drilling three wells at the reoccupied 1-27 pad as part of an accelerated drilling program outlined below.

Guidance update

Kiwetinohk plans to accelerate its 2025 drilling program by reoccupying the 1-27 pad in Simonette and commence drilling three Duvernay wells late in the fourth quarter. This acceleration is expected to enhance 2025 production growth while retaining flexibility to adapt to volatile commodity prices and to reduce capital expenditures in 2025, if needed. Kiwetinohk expects incremental capital spending of up to \$10.0 million in 2024, with remaining capital to be included in its 2025 capital budget. Full-year capital guidance for 2024 is updated to a range of \$330 - \$350 million.

Kiwetinohk has also updated sensitivities for expected adjusted funds flow from operations and projected ratio of net debt to adjusted funds flow from operations to account for this capital acceleration assuming realized pricing for WTI Crude Oil and Henry Hub (HH) natural gas of US\$70/MMBtu and US\$2.50/MMBtu, respectively, for the remainder of the year.

All other financial and operational guidance remain as previously presented on July 30, 2024.

2024 Financial & Operational Guidance		Current November 5, 2024	Previous July 30, 2024
Capital guidance	\$MM	\$330 - \$350	\$320 - \$340
Upstream	\$MM	\$325 - \$342	\$315 - \$332
DCET	\$MM	\$305 - \$320	\$295 - \$310
Infrastructure, production maintenance and other	\$MM	\$20 - \$22	\$20 - \$22
Power ¹	\$MM	\$5 - \$8	\$5 - \$8
2024 Adjusted Funds Flow from Operations commodity pricing sensitivity^{2,3}			
US\$70/bbl WTI & US\$2.50/MMBtu HH	\$MM	\$260 - \$280	Not previously provided ³
2024 Net debt to Adjusted Funds Flow from Operations sensitivity^{2,3}			
US\$70/bbl WTI & US\$2.50/MMBtu HH	X	1.0x - 1.1x	Not previously provided ³

1 – The company incurred \$3.4 million of costs within the first six months of 2024 prior to recognizing an impairment on the power portfolio (excluding Homestead). Expenditures on impaired projects will be expensed for the remainder of the year. Guidance reflected includes capitalized costs and expensed project development costs.

2 – Non-GAAP and other financial measures that do 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.

3 - Sensitivities for adjusted funds flow from operations and net debt to adjusted funds flow from operations were previously provided at US\$70/bbl WTI & US\$2.00/MMBtu HH and US\$80/bbl WTI and US\$3.00/MMBtu HH. Sensitivities have been revised to US\$70/bbl WTI and US\$2.50/MMBtu HH to approximate forward strip pricing for the remainder of the year. Assumes actual realized pricing to date and flat pricing for the remainder of the year.

A detailed breakdown of current full-year guidance, can be found in the MD&A for this quarter available on SEDAR+ at www.sedarplus.ca. The revised 2024 annual guidance and related sensitivity provides information relevant to expectations for financial and operational results. This corporate guidance is based on commodity price assumptions and economic conditions and readers are cautioned that guidance estimates may fluctuate and are subject to numerous risks and uncertainties. Kiwetinohk will update guidance if and as required throughout the year.

Financial and operating results for the quarter

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Production				
Oil & condensate (bbl/d)	8,898	6,367	8,318	6,770
NGLs (bbl/d)	3,766	2,765	3,870	2,520
Natural gas (Mcf/d)	79,992	72,518	86,546	75,492
Total (boe/d)	25,996	21,218	26,612	21,872
Oil and condensate % of production	35%	30%	31%	31%
NGL % of production	14%	13%	15%	11%
Natural gas % of production	51%	57%	54%	58%
Realized prices				
Oil & condensate (\$/bbl)	93.47	100.05	95.89	97.43
NGLs (\$/bbl)	41.36	48.21	43.47	53.84
Natural gas (\$/Mcf)	2.49	3.53	2.92	3.92
Total (\$/boe)	45.65	48.38	45.79	49.87
Royalty expense (\$/boe)	(3.44)	(2.75)	(3.67)	(4.68)
Operating expenses (\$/boe)	(7.19)	(9.17)	(6.80)	(8.51)
Transportation expenses (\$/boe)	(6.04)	(5.59)	(5.52)	(5.65)
Operating netback ¹ (\$/boe)	28.98	30.87	29.80	31.03
Realized gain on risk management (\$/boe) ²	1.31	1.23	0.93	1.97
Realized (loss) gain on risk management - purchases (\$/boe) ²	(0.10)	1.59	0.38	1.88
Net commodity sales from purchases (loss) (\$/boe) ¹	0.70	(1.22)	0.31	(0.92)
Adjusted operating netback ¹	30.89	32.47	31.42	33.96
Financial results (\$000s, except per share amounts)				
Commodity sales from production	109,166	94,432	333,877	297,788
Net commodity sales from purchases (loss) ¹	1,683	(2,376)	2,280	(5,490)
Cash flow from operating activities	66,867	60,294	203,282	181,814
Adjusted funds flow from operations ¹	64,746	55,314	200,407	177,614
Per share basic	1.48	1.26	4.59	4.03
Per share diluted	1.46	1.25	4.54	3.99
Net debt to annualized adjusted funds flow from operations ¹	0.91	0.67	0.91	0.67
Free funds flow deficiency from operations (excluding acquisitions/dispositions) ¹	(26,298)	(7,827)	(36,865)	(52,961)
Net income (loss)	32,535	(12,056)	17,089	63,594
Per share basic	0.74	(0.27)	0.39	1.44
Per share diluted	0.73	(0.27)	0.39	1.43
Capital expenditures prior to dispositions ¹	91,044	63,141	237,272	230,575
Net dispositions	(297)	(1,645)	(318)	(1,995)
Capital expenditures and net dispositions ¹	90,747	61,496	236,954	228,580

	September 30, 2024	December 31, 2023
Balance sheet (\$000s, except share amounts)		
Total assets	1,155,263	1,085,615
Long-term liabilities	340,788	305,735
Net debt ¹	241,196	186,523
Adjusted working capital (deficit) surplus ¹	(22,490)	7,565
Weighted average shares outstanding		
Basic	43,672,641	43,971,108
Diluted	44,288,877	44,467,348
Shares outstanding end of period	43,713,404	43,662,644

1 – Non-GAAP and other financial measures that do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. See Non-GAAP and Other Financial Measures section herein.

2 – Realized gain on risk management contracts includes settlement of financial hedges on production and foreign exchange, with (loss) gain on contracts associated with purchases presented separately.

Conference call and fourth quarter 2024 reporting date

Kiwetinohk management will host a conference call on November 7, 2024, at 8 AM MT (10 AM ET) to discuss results and answer questions. Participants can listen to the conference call by dialing 1-888-510-2154 (North America toll free) or 437-900-0527 (Toronto and area). A replay of the call will be available until November 14, 2024, at 1-888-660-6345 (North America toll free) or 646-517-4150 (Toronto and area) by using the code 65758.

Kiwetinohk plans to release its 2024 annual results prior to TSX opening on March 6, 2025.

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 year-end 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 "initial wellhead rates", "initial results", "peak rates" and other 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:

- drilling and completion activities on certain wells and pads and the expected timing for certain pads to be brought on-stream;
- the Company's detailed 2024 financial and operational guidance and adjustments to the previously communicated 2024 guidance, including anticipated increase in capital spending and adjustments to adjusted funds flow from operations sensitivities as well as possible future positive revisions to 2024 guidance;
- the Company's operational and financial strategies and plans;
- the Company's business strategies, objectives, focuses and goals and expected or targeted performance and results;
- the ability to generate free cash flows and reduce debt levels in the future;
- the timing of the release of the Company's 2025 budget; and
- the timing of the release of the Company's year-end 2024 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 Company's belief that development projects will create opportunities to provide reliable, dispatchable and affordable energy;
- the Company's ability to execute on its revised 2024 budget priorities;
- the timing and costs of the Company's capital projects, including drilling and completion of certain wells;
- the impact of the federal government's draft clean electricity regulations on the portfolio and uncertainties regarding same;
- the impact of the provincial government's restructured energy market on the portfolio and uncertainties regarding same;
- the timing and costs of the Company's capital projects, including drilling and completion of certain wells;
- the Company's ability to negotiate deal structures and terms on the Company's power 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, royalty, 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 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;
- the ability to fund power projects through third parties;
- 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;
- 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;
- risks related to the interpretation of, and/or potential claims made pursuant to, the Government of Canada amendments to the deceptive marketing practices provisions of the Competition Act (Canada) regarding greenwashing; 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, adjusted operating netback, and net commodity sales from purchases (loss), 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. The most directly comparable GAAP measure to net commodity sales from purchases (loss) is commodity sales from purchases.

Capital Management Measures

Adjusted funds flow from operations, free funds flow (deficiency) from operations, adjusted working capital surplus (deficit), net debt, 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) cash from operating activities, adjusted funds flow on a per share – basic and per share – diluted basis, (ii) realized prices, petroleum and natural gas sales, adjusted funds flow, revenue, royalties,

operating expenses, transportation, realized loss on risk management, and net commodity sales from purchases on a \$/bbl, \$/Mcf or \$/boe basis and (iii) royalty rate.

Cash from operating activities, adjusted funds flow and free cash flow on a per share – basic and diluted basis are calculated by dividing the cash from operating activities, adjusted funds flow or free cash flow, as applicable, over the referenced period by the weighted average basic or diluted shares outstanding during the period determined under IFRS.

Metrics presented on a \$/bbl, \$/Mcf or \$/boe basis are calculated by dividing the respective measure, as applicable, over the referenced period by the aggregate applicable units of production (bbl, Mcf or 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.

Abbreviations

\$/bbl	dollars per barrel
\$/boe	dollars per barrel equivalent
\$/Mcf	dollars per thousand cubic feet
AESO	Alberta Electric Systems Operator
AIF	Annual Information Form
AUC	Alberta Utilities Commission
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)
Mboe	thousand barrels of oil equivalent
MMboe	million barrels of oil equivalent
boe/d	barrel of oil equivalent per day

DCET	Drill, Complete, Equip and Tie-in
FID	Final Investment Decision
Mcf	thousand cubic feet
Mcf/d	thousand cubic standard feet per day
MD&A	Management Discussion & Analysis
MMcf/d	million cubic feet per day
MW	one million watts
NGLs	natural gas liquids, which includes butane, propane, and ethane

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