



**TENAZ ENERGY**

**TENAZ ENERGY CORP. ANNOUNCES 2024 BUDGET AND GUIDANCE**

***/NOT FOR DISSEMINATION IN THE UNITED STATES. FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAW/***

CALGARY, AB, December 21, 2023 /CNW/ - Tenaz Energy Corp. (“Tenaz”, “Our”, “We”, or the “Company”) (TSX:TNZ) is pleased to announce its 2024 budget and guidance. Our Board of Directors has approved a drilling and development capital (“D&D CAPEX”) budget of \$23 to \$25 million for 2024. We also intend to invest \$3 million in exploration and evaluation capital (“E&E CAPEX”) to evaluate a potential CCS project in the Dutch North Sea.

Production guidance for 2024 is 2,700 to 2,900 boe/d<sup>(1)</sup>, reflecting growth of approximately 17% from 2023. Our 2024 program is designed to continue rateable organic growth while generating free cash flow. At the same time as we deliver organic growth, we are advancing our acquisition pipeline toward fruition.

	<b>2024 Guidance</b>
Average production volumes	2,700 to 2,900 boe/d <sup>(1)</sup>
Capital expenditures <sup>(2)</sup>	
D&D CAPEX	\$23 to \$25 million
E&E CAPEX	\$3 million

**Capital and Production Guidance**

Our planned D&D CAPEX program envisions a four (3.5 net) well drilling program in the Rex formation at Leduc-Woodbend. Drilling timing is consistent with our previous seasonal approach, commencing around mid-year after the end of the rainy season in Alberta. The new wells are expected to be completed, equipped and tied-in for production at the beginning of Q4 2024. Our Canadian development program is flexible, with several options to scale the program up or down depending on the commodity environment and opportunities to employ capital outside of Canada. We have also identified development zones beyond the Rex formation, including within the Glauconite and Sparky formations.

In our non-operated Dutch North Sea assets, we expect to employ D&D CAPEX for minor production adding activities on existing wells, continued studies at the F17 oil development project, and investment in facility-enhancing capital.

Our annual production guidance for 2024 is 2,700 to 2,900 boe/d<sup>(1)</sup>, approximately 17% higher than 2023. Our 2024 production guidance reflects continuing growth at Leduc-Woodbend and a flat production profile for our Dutch North Sea assets.

**L10 CCS Project**

Neptune Energy, as project operator, and its partners have agreed to progress the L10 CCS project from the Concept Select phase into the Front End Engineering and Design (“FEED”) phase. At the end of the FEED phase in 2025, we expect the project partners to be positioned for a final investment decision (“FID”). L10 CCS seeks to store 5 Mton of CO<sub>2</sub> annually, which would make a significant contribution towards carbon neutrality in northwest Europe.

All partners have executed a FEED Cooperation Agreement, and Neptune has contracted for engineering and design services. Expenditures to progress through FEED are expected to be approximately \$3 million in 2024. FEED capital investment is classified as E&E CAPEX because FID has not yet been determined.

- (1) The term barrels of oil equivalent (“boe”) may be misleading, particularly if used in isolation. Per boe amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 Mcf) of natural gas to one barrel (1 bbl) of crude oil. Refer to “Barrels of Oil Equivalent” section included in the “Advisories” section of this press release.
- (2) This is a non-GAAP and other financial measure. Refer to “Non-GAAP and Other Financial Measures” included in the “Advisories” section of this press release.

## **About Tenaz Energy Corp.**

Tenaz is an energy company focused on the acquisition and sustainable development of international oil and gas assets capable of generating free cash flow for shareholders. Tenaz has domestic operations in Canada along with offshore natural gas assets in the Netherlands. The domestic operations consist of a semi-conventional oil project in the Rex member of the Upper Mannville group at Leduc-Woodbend in central Alberta. The Netherlands natural gas assets are located in the Dutch sector of the North Sea.

Additional information regarding Tenaz is available on SEDAR+ and its website at [www.tenazenergy.com](http://www.tenazenergy.com). Further information on Noordgastransport B.V. (“NGT”), a Netherlands company in which Tenaz holds a 21.4% interest, can be found at <https://noordgastransport.nl>.

## **ADVISORIES**

### **Non-GAAP and Other Financial Measures**

*This press release contains references to measures used in the oil and natural gas industry such as “capital expenditures”. The data presented in this press release is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and sometimes referred to in this press release as Generally Accepted Accounting Principles (“GAAP”). These reported non-GAAP measures and their underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Where these measures are used, they should be given careful consideration by the reader.*

#### Capital Expenditures

*Tenaz considers capital expenditures to be a useful measure of the Company’s investment in its existing asset base calculated as the sum of drilling and development costs and exploration and evaluation costs. Exploration and evaluation asset additions (being exploration and evaluation costs) or “E&E CAPEX” and property, plant and equipment additions (being drilling and development costs) or “D&D CAPEX” from the consolidated statements of cash flows that is most directly comparable to cash flows used in investing activities.*

#### **Barrels of Oil Equivalent**

*The term barrels of oil equivalent (“boe”) may be misleading, particularly if used in isolation. Per boe amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 mcf) of natural gas to one barrel (1 bbl) of crude oil. The boe conversion ratio of 6 mcf to 1 bbl 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 the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.*

#### **Forward-looking Information and Statements**

*This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words “expect”, “anticipate”, “budget”, “forecast”, “guidance”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “could”, “believe”, “plans”, “potential”, “intends”, “strategy” and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains forward-looking information and statements pertaining to: Tenaz’s capital plans; activities and budget for 2024, and our anticipated operational and financial performance; expected well performance; expected economies of scale; forecasted average production volumes and capital expenditures for 2024; the ability to grow our assets domestically and internationally; statements relating to a potential CCS project; and the Company’s strategy.*

*The forward-looking information and statements contained in this press release reflect several material factors and expectations and assumptions of the Company including, without limitation: the continued performance of the Company’s oil and gas properties in a manner consistent with its past experiences; that the Company will continue to conduct its operations in a manner consistent with past operations; expectations regarding future development; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; expectations regarding future acquisition opportunities; the accuracy of the estimates of the Company’s reserves volumes; certain commodity price, interest rate, inflation and other cost assumptions; the continued availability of oilfield services; and the continued availability of adequate debt and equity financing and cash flow from operations to fund its planned expenditures and obligations and commitments. The Company*

*believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations, and assumptions will prove to be correct.*

*The forward-looking information and statements included in this press release are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of the Company's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of the Company or by third party operators of the Company's properties, increased debt levels or debt service requirements; inaccurate estimation of the Company's oil and gas reserve or resource volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time to time in the Company's public documents.*

*The forward-looking information and statements contained in this press release speak only as of the date of this press release, and the Company does not assume any obligation to publicly update or revise them to reflect new events or circumstances or otherwise, except as may be required pursuant to applicable laws.*

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