TENAZ ENERGY CORP. ANNOUNCES 2021 YEAR-END RESULTS AND RESERVES

CALGARY, March 24, 2022 /CNW/ - Tenaz Energy Corp. ("Tenaz", "We", "Our", "Us" or the "Company") (TSXV: TNZ) is pleased to announce its financial and operating results for the three months and year ended December 31, 2021 and to provide a 2021 year-end reserves summary of its independent reserve report (the "McDaniel Report") prepared by McDaniel and Associates Consultants Ltd. ("McDaniel") with an effective date of December 31, 2021.

The related audited consolidated financial statements, as well as Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2021 and annual information form ("AIF") as of December 31, 2021 will be available on SEDAR at www.sedar.com and on Tenaz's website at www.tenazenergy.com.

A webcast presentation to accompany this release is available on Tenaz's website at www.tenazenergy.com.

HIGHLIGHTS

Fourth Quarter and Year-End 2021 Results

- In October 2021, Tenaz completed the recapitalization and amalgamation of Altura Energy Inc. Gross proceeds of $29.5 million were raised in brokered and non-brokered private placements, and a new management team and board of directors were appointed.
- On December 17, 2021, the Company completed the closing of its previously announced rights ("Rights") offering (the "Rights Offering") pursuant to which each shareholder of common shares on November 15, 2021 (the "Record Date") received one (1) Right for each common share held by such shareholder. Each eight (8) Rights entitled the holder to subscribe for one common share upon payment of a subscription price of $0.18 per common share. Common shares representing 74% of eligible Rights were purchased for gross proceeds of $1.8 million.
- On December 23, 2021, Tenaz completed the consolidation of common shares on a 10-for-1 basis resulting in new basic shares outstanding of 28.4 million versus the pre-consolidation total of 284 million.
- Production volumes averaged 1,063 boe/d[1] in the quarter, up 21% year-over-year. For 2021 as a whole, production averaged 1,015 boe/d, slightly above guidance of 1,000 boe/d.
- Funds flow from operations[2] for the full year 2021 was $3.5 million, up 40% from 2020. Higher 2021 funds flow from operations resulted from increases in both commodity prices and production volumes, partially offset by a $2.7 million realized hedging loss and $1.2 million of transaction costs associated with the recapitalization transaction during 2021. As a result of extinguishing our bank debt in Q4 2021, we are no longer required to maintain a rolling hedge position. Previously established hedge positions scroll off during May 2022.
- Net income for full year 2021 was $8.3 million ($0.57 per share), which increased from a net loss of $19.0 million ($1.75 per share) in 2020, primarily driven by an impairment reversal arising from the improved commodity price outlook.
- The Company ended the year with positive adjusted working capital[2] of $20.7 million. The year-end positive balance compares to net debt of $3.5 million as at Q3 2021. The improvement in financial position resulted from net proceeds raised from the private placements and rights offering in the fourth quarter, partially offset by repayment of bank debt and acceleration of two wells from the 2022 capital program into December 2021.
- Tenaz drilled and completed two (1.8 net) wells targeting the Rex formation in Leduc-Woodbend during the fourth quarter, as planned in our updated budget announced on November, 18, 2021. Both wells were equipped and put on production during Q1 2022, and are cleaning up as expected. Capital investment for the fourth quarter was $5.8 million.

2022 Update

[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.

- Our 2022 budget has been updated to reflect the acceleration of drilling into December 2021. Capital investment for 2022 has been reduced from $7.8 million to $5.8 million, with annual production guidance unchanged at 1200-1300 boe/d. Based on current commodity prices, capital investment will be significantly less than 2022 funds flow from operations.

Year-End 2021 Reserves

- Proved Developed Producing ("PDP") reserves increased 23%, reflecting a reserve replacement ratio of 187%. PDP reserves at year-end totaled 1,724 Mboe, and NPV10 increased 115% to $23 million.
- Total Proved (“1P”) reserves increased 19%, reflecting a reserve replacement ratio of 393%. 1P reserves at year-end totaled 6,762 Mboe, and NPV10 increased 86% to $47 million.
- Total Proved + Probable (“2P”) reserves increased 7%, reflecting a reserve replacement ratio of 288%. 2P reserves at year end totaled 11,324 Mboe, and NPV10 increased 51% to $87 million.
- PDP Finding, Developing and Acquisition Costs (“FD&A”) were $12.40/boe, resulting in a 2.8x recycle ratio based on the Q4 2021 operating netback of $34.67/boe. Recycle ratios at the 1P and 2P levels were 2.3x and 1.7x, respectively.
- Reserve life indices were 4.4 years, 17.3 years and 29.0 years, respectively for PDP, 1P and 2P reserves.

FINANCIAL AND OPERATIONAL SUMMARY

($000 CAD, except per share and per boe amounts)	Three months ended **Dec 31, 2021**	Sep 30, 2021	Dec 31, 2020	Year ended **Dec 31, 2021**	Dec 31, 2020
FINANCIAL					
Petroleum and natural gas sales	**5,453**	4,717	2,659	**17,830**	8,615
Cash flow from operating activities	**373**	1,982	206	**3,945**	2,406
Funds flow from operations(1)	**216**	1,349	818	**3,499**	2,502
Per share – basic(1)(4)	**0.01**	0.12	0.08	**0.24**	0.23
Per share – diluted(1)(4)	**0.01**	0.12	0.08	**0.24**	0.23
Net income (loss)(2)	**(258)**	10,105	10,730	**8,339**	(19,038)
Per share – basic(2)(4)	**(0.01)**	0.93	0.99	**0.57**	(1.75)
Per share – diluted(2)(3)(4)	**(0.01)**	0.93	0.99	**0.56**	(1.75)
Capital expenditures(1)	**5,840**	2,614	105	**10,391**	7,874
Property dispositions	**-**	-	-	**(1,750)**	(1,746)
Adjusted working capital (net debt)(1)	**20,688**	(3,462)	(3,932)	**20,688**	(3,932)
Common shares outstanding (000)					
End of period – basic(4)	**28,438**	10,892	10,892	**28,438**	10,892
Weighted average for the period – basic(4)	**26,069**	10,892	10,892	**14,718**	10,892
Weighted average for the period – diluted(3)(4)	**27,450**	10,892	10,892	**14,876**	10,892
OPERATING					
Average daily production					
Heavy crude oil (bbls/d)	**502**	496	468	**506**	465
Light crude oil & medium crude oil (bbls/d)	**-**	-	-	**-**	6
NGLs (bbls/d)	**78**	72	48	**65**	51
Natural gas (Mcf/d)	**2,895**	2,861	2,402	**2,666**	2,151
Total (boe/d)(5)	**1,063**	1,045	916	**1,015**	880
(***$/boe***)(5)					
Petroleum and natural gas sales	**55.78**	49.04	31.56	**48.12**	26.74
Royalties	**(7.10)**	(5.53)	(2.61)	**(5.60)**	(2.03)
Operating expenses	**(12.20)**	(14.44)	(12.75)	**(13.43)**	(13.27)
Transportation expenses	**(1.81)**	(1.75)	(1.93)	**(1.99)**	(2.34)
Operating netback(1)	**34.67**	27.32	14.27	**27.10**	9.10
BENCHMARK COMMODITY PRICES					
WTI crude oil (US$/bbl)	**77.19**	70.56	42.66	**67.91**	39.40
WCS (CAD$/bbl)	**78.71**	71.80	43.41	**68.73**	35.59
AECO daily spot (CAD$/GJ)	**4.41**	3.41	2.50	**3.44**	2.11

(1) 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.
(2) Prior period amounts have been restated. Refer to the “Change in Accounting Policies” section included in Management’s Discussion & Analysis for the three months and year ended December 31, 2021.
(3) Basic weighted average shares are used to calculate diluted per share amounts in periods in which there is a loss position.
(4) On December 23, 2021, the Company completed a 10 to 1 common share consolidation. All per share and common share values have been presented on a post-consolidation basis.
(5) 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.

PRESIDENT'S MESSAGE

With the transformation of Altura Energy into Tenaz Energy now complete, we are excited about the prospects of our new company. Tenaz is equipped with a focused and dedicated team of professionals, a product of the prior Altura team plus the founders of Tenaz. Our vision is to build a leading intermediate-size E&P by targeting high-quality assets in global markets to support a balanced growth-and-income capital markets model.

In pursuit of such opportunities, we have outlined a geographic scope for evaluation that includes Europe, MENA and South America. We recognize that this is a substantial remit, but we prefer to have a wide set of assets to choose from as we search for the highest returns for shareholders. We continue to see opportunities in these focus areas despite a highly volatile commodity market. High prices for all commodities have created large cash flows from E&P assets, but increases in asset valuations have not typically matched the improvement in cash flows. In this new environment, we believe that returns on acquisitions can be higher than before the commodity run-up, but we will place an even greater emphasis on creative structuring to meet the needs of potential sellers. We will continue to take a conservative view toward long-term prices, and utilize near-to-medium term hedging to lock in returns.

We recognize the importance of transitioning to a lower carbon economy. Nonetheless, energy consumption is growing as income and wealth increase for the global population, with demand for energy outpacing supply for both hydrocarbons and renewables. We believe there is an important role for oil and gas as transitional energy sources. Accordingly, investment and innovation in these energy sources are required to ensure adequate supplies for an ascending global population. Tenaz intends to contribute to carbon emissions reduction through efficient use of inputs in the production process and innovative sustainability projects utilizing existing oil and gas infrastructure. Environmental, social and economic sustainability is central to our strategy. This starts with our existing Canadian development project, and will be extended to all acquisitions that we make.

The pandemic and the Russian war on Ukraine have left the world with a shortage of all commodities. It is unclear how long this imbalance of supply and demand will persist, with market pricing being the only corrective mechanism available in the short term. We support policy adjustments that are available throughout the free world to responsibly increase both hydrocarbon and renewables production in the medium and longer terms. Finally, and more importantly than any economic ramification, we are inspired by the Ukrainian defense of freedom and their homeland.

Operations update

In addition to pursuing our international acquire-and-exploit strategy, Tenaz inherited a high quality semi-conventional development project in the Leduc-Woodbend area of Alberta, Canada. The project targets the Rex zone within the Mannville formation across a contiguous asset base with Tenaz-owned infrastructure. This oil-weighted play offers significant advantages, including robust drilling economics, a large operated land position, self-sufficient infrastructure with excess capacity, ease of surface access, and low abandonment obligations. We will continue to develop this project to generate moderate growth and free cash flow that can be deployed in support of our overall corporate strategy.

During December 2021, we executed the drilling and completion of the first two wells of our planned four well program for budget year 2022. We accelerated this activity to take advantage of quality, fit-for-purpose drilling and completion services that were available in advance of expected service constraints in Q1-2022. The two (1.8 net) wells drilled and completed in December 2021 were equipped and brought on production in January 2022, and are currently cleaning up as expected.

The remaining two wells of our planned four-well program for 2022 will be drilled after lease access is available post break-up. These wells reach payout rapidly, well within one year at current commodity prices, and we will evaluate if an expansion of our current 2022 drilling activity is warranted to accelerate field development. Under our current plan, production is expected to be within our 2022 guidance of 1,200 to 1,300 boe/d, approximately 25% higher than full year 2021.

Our Leduc-Woodbend project has a significant drilling inventory capable of providing production growth for a number of years. We plan to continue to develop this valuable land base into a business unit of appropriate scale over the coming years with funding from internally generated cash flow. We view this ongoing semi-conventional development project as a small but worthwhile component of our overall free cash flow-oriented strategy.

Finally, we would like to thank the former Altura shareholders and our new investors for their ongoing support of Tenaz and our new strategy.

/s/ Anthony Marino
President and Chief Executive Officer
March 24, 2022

RESERVES

The McDaniel Report was prepared in accordance with the definitions, standards and procedures contained in the Canadian

Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Additional reserves information as required under NI 51-101 will be included in Tenaz's annual information form for the year ended December 31, 2021, which will be available on SEDAR at www.sedar.com and on Tenaz's website at www.tenazenergy.com.

The following tables are a summary of Tenaz's crude oil, natural gas liquids ("NGLs") and natural gas reserves, as evaluated by McDaniel, effective December 31, 2021. As a reporting issuer in Canada, Tenaz is required to report its reserves and net present value estimates using forecast pricing and costs, as stipulated under NI 51-101. The forecast prices reflected in the net present values are based on an average of the price decks of three independent engineering firms, GLJ Ltd., Sproule Associates Limited and McDaniel & Associates Consultants Ltd. (the "Consultant Average Price Forecast") at January 1, 2022, and included in the Company's AIF. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of our crude oil, NGLs and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. It is important to note that the recovery and reserves estimates provided herein are estimates only. Actual reserves may be greater or less than the estimates provided herein. Reserves information may not add due to rounding. Consistent with 2020 year-end reserves, and as per guidance in the COGE Handbook, the McDaniel Report includes all abandonment, decommissioning and reclamation obligations ("ADR"), including all the ADR associated with both active and inactive wells regardless of whether such wells had any attributed reserves.

Summary of Gross Reserves as at December 31, 2021

	Company Gross Reserves(1)(2)				
Reserve Category	**Light Crude Oil & Medium Crude Oil (Mbbl)**	**Heavy Crude Oil (Mbbl)**	**Conventional Natural Gas (MMcf)**	**Natural Gas Liquids (Mbbl)**	**Oil Equivalent (Mboe)**
Proved					
Proved Developed Producing	150.5	599.4	5,119.8	120.9	1,724.2
Proved Developed Non-Producing	14.4	-	-	-	14.4
Proved Undeveloped	-	2,494.5	13,300.7	312.6	5,023.8
Total Proved	**164.9**	**3,093.9**	**18,420.5**	**433.5**	**6,762.4**
Total Probable	**45.2**	**2,148.8**	**12,451.1**	**292.8**	**4,561.9**
Total Proved + Probable(3)	**210.1**	**5,242.7**	**30,871.7**	**726.3**	**11,324.3**

(1) Gross reserves are Company working interest reserves before royalty deductions.

(2) Based on the January 1, 2022 Consultant Average Price Forecast.

(3) Numbers may not add due to rounding.

Reconciliation of Reserves for 2021

	Company Gross Reserves(1)(2)				
	Light Crude Oil & Medium Crude Oil (Mbbl)	**Heavy Crude Oil (Mbbl)**	**Conventional Natural Gas (MMcf)**	**Natural Gas Liquids (Mbbl)**	**Oil Equivalent (Mboe)**
Total Proved					
December 31, 2020	176.0	3,205.4	11,725.8	340.6	5,676.3
Extensions and improved recovery	-	430.5	2,221.2	52.2	852.9
Technical Revisions(3)	17.6	(459.8)	4,457.1	41.5	342.1
Acquisitions	-	-	-	-	-
Dispositions	(6.4)	(65.6)	(405.7)	(9.4)	(149.0)
Economic Factors	6.1	139.6	1,395.1	32.4	410.6
Production	(28.4)	(156.2)	(973.0)	(23.8)	(370.5)
December 31, 2021(4)	**164.9**	**3,093.9**	**18,420.5**	**433.5**	**6,762.4**
Total Proved + Probable					
December 31, 2020	243.3	5,644.7	24,217.6	703.4	10,627.6
Extensions and improved recovery	-	333.3	1,892.2	44.5	693.2
Technical Revisions(3)	(5.7)	(693.1)	4,245.3	(32.5)	(24.0)
Acquisitions	-	-	-	-	-
Dispositions	(8.0)	(119.1)	(715.7)	(16.6)	(262.9)
Economic Factors	8.9	233.1	2,205.3	51.3	660.9
Production	(28.4)	(156.2)	(973.0)	(23.8)	(370.5)
December 31, 2021(4)	**210.1**	**5,242.7**	**30,871.7**	**726.3**	**11,324.3**

(1) Gross reserves are Company working interest reserves before royalty deductions.

(2) Based on the January 1, 2022 Consultant Average Price Forecast.

(3) Includes category transfers

(4) Numbers may not add due to rounding.

Summary of Net Present Values of Future Net Revenue as at December 31, 2021

Benchmark crude oil and NGL prices used are adjusted for quality of oil or NGL produced and for transportation costs. The calculated net present values ("NPVs") before tax are based on the Consultant Average Price Forecast at January 1, 2022. The NPVs include ADR but do not include a provision for interest, debt service charges and general and administrative expenses. It should not be assumed that the NPV estimate represents the fair market value of the reserves.

	Before Tax Net Present Value Discounted at(1)(2)				
Reserve Category	**0% ($000)**	**5% ($000)**	**10% ($000)**	**15% ($000)**	**20% ($000)**
Proved					
Proved Developed Producing	22,806.9	23,496.2	22,776.3	21,684.8	20,563.7
Proved Developed Non-Producing	762.1	663.4	585.5	522.9	471.6
Proved Undeveloped	48,912.4	34,341.3	24,064.3	16,796.1	11,591.6
Total Proved	**72,481.5**	**58,501.0**	**47,426.1**	**39,003.8**	**32,627.0**
Total Probable	**79,360.3**	**54,659.6**	**39,211.2**	**29,232.0**	**22,547.4**
Total Proved + Probable(3)	**151,841.7**	**113,160.5**	**86,637.2**	**68,235.7**	**55,174.4**

(1) Based on the January 1, 2022 Consultant Average Price Forecast.

(2) Numbers may not add due to rounding.

(3) Includes abandonment and reclamation costs as defined in NI 51-101.

Finding and Development Costs and Recycle Ratios

Future development costs ("FDC") reflects the future capital costs, as provided by the Company and included in the McDaniel Report, to bring Tenaz's proved and probable developed and undeveloped reserves on production. Changes in forecasted FDC occur annually as a result of development activities, acquisition and disposition activities, changes in capital cost estimates based on improvements in well design and performance, and changes in service costs.

Over the past three years, Tenaz has incurred the following finding, development and acquisition ("FD&A")(6) and finding and development ("F&D")(6) costs both excluding and including FDC:

	2021			3-Year Average(4)		
	PDP	1P	2P	PDP	1P	2P
F&D and FD&A Costs per boe(1)(2)(3)(6)						
F&D Costs per boe (including FDC)	$14.07	$14.79	$17.94	$15.09	$11.13	$10.04
FD&A Costs per boe (including FDC)	$12.40	$15.10	$20.72	$18.41	$12.15	$12.48
Recycle Ratio (x) (2)(5)(6)						
F&D (including FDC)	2.46	2.34	1.93	1.63	2.21	2.45
FD&A (including FDC)	2.80	2.30	1.67	1.34	2.03	1.97

(1) Barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 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. Refer "Oil and Gas Disclosures" in the "Advisories" section of this press release.

(2) The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development capital generally will not reflect total finding and development costs related to reserve additions for that year.

(3) The calculation of F&D and FD&A costs includes the change in FDC required to bring proved undeveloped and developed reserves into production. The F&D or FD&A number is calculated by dividing the identified capital expenditures by applicable reserve additions including extensions, infills, revisions, acquisitions and disposals, and economic factors, after changes in FDC costs.

(4) Three-year average is calculated using three-year total capital costs and reserve additions on both a Total Proved ("1P") and Total Proved + Probable ("2P") reserves on a weighted average basis.

(5) Recycle Ratio is calculated by dividing operating netback (a non-GAAP measure) by the cost of adding reserves ("F&D Cost").

(6) "FD&A Cost", "F&D Cost", and "Operating Recycle Ratio" do not have standardized meanings and therefore may not be comparable with the calculation of similar measures for other entities. See "Information Regarding Disclosure on Oil and Gas Reserves and Operational Information" in 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 returning free cash flow to shareholders. In addition, Tenaz conducts development of a semi-conventional oil project in the Rex member of the Upper Mannville group at Leduc-Woodbend in central Alberta.

ADVISORIES

Non-GAAP and Other Financial Measures

This press release contains references to measures used in the oil and natural gas industry such as "funds flow from operations", "funds flow from operations per share", "funds flow from operations per boe", "net debt", and "operating netback". 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") and sometimes referred to in this press release as Generally Accepted Accounting Principles ("GAAP") as issued by the International Accounting Standards Board. 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.

Funds flow from operations

Tenaz considers funds flow from operations to be a key measure of performance as it demonstrates the Company's ability to generate the necessary funds for sustaining capital, future growth through capital investment, and to repay debt. Funds flow from operations is calculated as cash flow from operating activities, before changes in non-cash operating working capital. Funds flow from operations is not intended to represent cash flows from operating activities calculated in accordance with IFRS. A summary of the reconciliation of cash flow from operating activities to funds flow from operations, is set forth below.

($000)	**Q4 2021**	Q3 2021	Q4 2020	**2021**	2020
Cash flow from operating activities	**373**	1,982	206	**3,945**	2,406
Change in non-cash working capital	**(157)**	(633)	612	**(446)**	96
Funds flow from operations	**216**	1,349	818	**3,499**	2,502

Funds flow from operations per share is calculated using basic and diluted weighted average number of shares outstanding in the period.

Funds flow from operations per boe is calculated as funds flow from operations divided by total production sold in the period.

Capital Expenditures and Capital Expenditures, Net of Dispositions

Management uses the terms "capital expenditures" and "capital expenditures, net of dispositions" as measures of capital investment in exploration and production activity, as well as property acquisitions and dispositions, and such spending is compared to the Company's annual budgeted capital expenditures. The most directly comparable GAAP measure for capital expenditures and capital expenditures, net of dispositions is cash flow used in investing activities. A summary of the reconciliation of cash flow used in investing activities to capital expenditures and capital expenditures, net of dispositions, is set forth below.

($000)	**Q4 2021**	Q3 2021	Q4 2020	**2021**	2020
Cash flow used in investing activities	**1,645**	2,442	180	**4,238**	6,497
Change in non-cash working capital	**4,195**	172	(75)	**4,403**	(369)
Capital expenditures, net of dispositions	**5,840**	2,614	105	**8,641**	6,128
Property dispositions	**-**	-	-	**1,750**	1,746
Capital expenditures	**5,840**	2,614	105	**10,391**	7,874

Adjusted working capital (net debt)

Management views adjusted working capital (net debt) as a key industry benchmark and measure to assess the Company's financial position and liquidity. Adjusted working capital (net debt) is calculated as current assets less current liabilities, excluding the fair value of financial instruments. Tenaz's adjusted working capital (net debt) as at December 31, 2021 and December 31, 2020 is summarized as follows:

($000)	**December 31, 2021**	December 31, 2020
Current assets	**27,499**	1,307
Current liabilities	**(7,411)**	(5,608)
Working capital surplus (deficit)	**20,088**	(4,301)
Exclude fair value of financial instruments	**600**	369
Adjusted working capital (net debt)(1)	**20,688**	(3,932)

Operating Netback

Tenaz calculates operating netback on a per boe basis, as petroleum and natural gas sales less royalties, operating costs and transportation costs. Operating netback is a key industry benchmark and a measure of performance for Tenaz that provides investors with information that is commonly used by other crude oil and natural gas producers. The measurement on a per boe basis assists management and investors with evaluating operating performance on a comparable basis. Tenaz's operating netback is disclosed in the "Financial and Operational Summary" section of this press release.

Information Regarding Disclosure on Oil and Gas Reserves and Operational Information

All amounts in this press release are stated in Canadian dollars unless otherwise specified. Tenaz's crude oil, natural gas liquids and natural gas reserves statement for the year ended December 31, 2021, which includes disclosure of its crude oil, natural gas liquids and natural gas reserves oil and gas information in accordance with NI 51-101, are contained within the Annual Information Form for the year ended December 31, 2021 which will be *available on SEDAR at www.sedar.com and on the Company's website. The recovery and reserve estimates contained herein are estimates only and there is no guarantee that the estimated reserves will be recovered.*

This press release contains metrics commonly used in the oil and natural gas industry, such as "reserve life indices", "recycle ratio", "finding and development ("F&D") costs", " recycle ratios", "finding, development and acquisition ("FD&A") costs", and "operating netback". Each of these metrics are determined by Tenaz as specifically set forth in this press release. These terms do not have standardized meanings or standardized methods of calculation and therefore may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Such metrics have been included to provide readers with additional information to evaluate the Company's performance however, such metrics should not be unduly relied upon for investment or other purposes. Management uses these metrics for its own performance measurements and to provide readers with measures to compare Tenaz's performance over time.

Both F&D and FD&A costs take into account reserves revisions during the year on a per boe basis. The aggregate of the costs incurred in the financial year and changes during that year in estimated FDC may not reflect total F&D costs related to reserves additions for that year. Finding and development costs both including and excluding acquisitions and dispositions have been presented in this press release because acquisitions and dispositions can have a significant impact on Tenaz's ongoing reserves replacement costs and excluding these amounts could result in an inaccurate portrayal of its cost structure.

Management uses these oil and natural gas metrics for its own performance measurements and to provide shareholders with measures to compare Tenaz's performance over time, however, such measures are not reliable indicators of the Company's future performance and future performance may not compare to the performance in previous periods. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes.

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", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "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 and budget for 2022; forecasted average production volumes for 2022; and the corporate strategy proposed by the new management team.

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; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the accuracy of the estimates of the Company's reserves and resource volumes; certain commodity price 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. 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 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, except as may be required pursuant to applicable laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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