



NEWS RELEASE

COELACANTH ENERGY INC. ANNOUNCES OPERATIONS UPDATE AND MIDSTREAM PROCESSING AGREEMENT

CALGARY, ALBERTA (June 26, 2023) – Coelacanth Energy Inc. (TSXV: CEI) ("Coelacanth" or the "Company") announces that it will proceed with drilling and completion operations at both its Two Rivers East and Two Rivers West Projects and has signed a midstream agreement to provide future gas processing.

TWO RIVERS EAST PROJECT

Coelacanth has received regulatory approval to drill and complete up to 14 wells on its 5-19 Pad at Two Rivers East. The Company's predecessor (Leucrotta Exploration Inc.) had drilled and completed a Lower Montney well at the site that tested over 1,000 boe/d (42% light oil). The initial well was drilled in 2018 with a 1-mile horizontal leg and completed with a 41-stage frac as compared to Coelacanth's current plan of a 2-mile horizontal leg and approximately 165 fracs. The Company believes current drilling and completion methods will materially enhance both initial production rates and ultimate reserve recoveries.

Coelacanth has secured a drilling rig and will proceed with 5 initial wells comprised of 3 Lower Montney wells, 1 Upper Montney well and 1 Basal Montney well. The first well should spud in August and drilling operations are expected to be finished in September. Completion and testing of the 5-19 Pad is expected in early Q4 2023.

The Company is in the process of obtaining final regulatory approval to construct an oil battery and compression station (the "Two Rivers East Facility") as well as sales lines and gathering lines to handle production from the 5-19 and subsequent Pads. It is anticipated that the Two Rivers East Facility and related pipelines will be completed for an on-stream date in late 2024 or early 2025 and will be sized to handle over 20,000 boe/d by adding compression as needed.

The completion and testing of the 5 wells will be a big first step on proving up and quantifying estimated value on the Company's large Montney land block of over 150 contiguous sections. Coelacanth anticipates that it will drill additional Pad wells in 2024 prior to the facility start up.

TWO RIVERS WEST PROJECT

Coelacanth has drilled 2 Upper Montney wells on its 10-08 Pad at Two Rivers West that will be completed in mid-August. The wells were drilled offsetting an original producing Upper Montney

well that had an IP30 of 716 boe/d (52% light oil). The original well was drilled with a 1-mile horizontal leg and completed with 41 fracs. The two new wells were drilled with 2-mile horizontal legs and will be completed with approximately 165 fracs. The Company believes current drilling and completion methods will materially enhance both initial production rates and ultimate reserve recoveries.

MIDSTREAM AGREEMENT AND TAKEAWAY CAPACITY

Coelacanth has entered into an arrangement with NorthRiver Midstream Inc. (“NRM”) to secure up to 60 mmcf/d of firm processing service at NRM’s McMahon gas processing facility for a period of 10 years. The processing service will commence after the construction of the Two Rivers East Facility. As part of the arrangement, NRM has agreed to finance certain related gathering infrastructure to interconnect the Two Rivers East Facility to NRM’s current gathering system.

As previously disclosed, Coelacanth has secured long-term takeaway on 60 mmcf/d of gas to be delivered into the Westcoast system plus minor amounts to be delivered into the Alliance system.

With both initial processing and takeaway secured, Coelacanth’s business plan of building to over 22,000 boe/d over a 4-year period has taken a significant step forward. Coelacanth looks forward to reporting on future developments as we continue to execute our plan and attain various milestones.

FOR FURTHER INFORMATION PLEASE CONTACT:

COELACANTH ENERGY INC.

2110, 530 – 8th Ave SW
Calgary, Alberta T2P 3S8
Phone: 403-705-4525
www.coelacanth.ca

Mr. Robert J. Zakresky
President and Chief Executive Officer

Mr. Nolan Chicoine
Vice President, Finance and Chief Financial Officer

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