



NEWS RELEASE

COELACANTH ENERGY INC. ANNOUNCES OPERATIONS UPDATE

CALGARY, ALBERTA (October 23, 2023) – Coelacanth Energy Inc. (TSXV: CEI) ("Coelacanth" or the "Company") announces that it has completed 2 wells at Two Rivers West and has finished the drilling of a 5-well pad at Two Rivers East.

TWO RIVERS WEST PROJECT

Coelacanth has completed the 2 Upper Montney wells on its 10-08 pad at Two Rivers West and recently placed the first well (C10-08) on production at a rate of 542 boe/d comprised of 225 bbls/d of 42 API light oil, 1.75 mmcf/d of liquids-rich gas, and approximately 26 bbls/d of NGLs. Coelacanth anticipates that production of hydrocarbons will incline as excess initial frac and formation water are pumped and disposed. To facilitate this, consideration is being given to increasing water pumping capacity at the Two Rivers West battery.

The second well (B10-08) was flowed to remove some of the initial frac water and then shut in to focus on the C10-08 well. Coelacanth will flow both wells once additional pump capacity is installed at the facility and the water rate on the C10-08 declines as a result of additional frac water being produced out.

Coelacanth will continue to disseminate information on this project when more material information is gathered.

TWO RIVERS EAST PROJECT

Coelacanth has finished the drilling of its 5-well pad at Two Rivers East that is comprised of 3 Lower Montney Wells, 1 Upper Montney Well and 1 Basal Montney Well. Completion and testing is scheduled for Mid-November.

The 5-19 pad is directly offsetting a Lower Montney well on the pad site that was drilled and tested in 2018 and in proximity to new Lower Montney wells drilled and completed by a nearby operator using modern completion technology. The operator publicly released results of its 2-well Lower Montney pad that had an average per well IP30 of 1,250 boe/d (49% light oil and 2%

NGLs) and later updated that the pad was producing flat at that rate for its initial four months with an average 40% liquids. This is above the type curve provided by our independent reserves evaluator (GLJ Ltd.) for the Lower Montney (see corporate presentation at www.coelacanth.ca). Coelacanth intends to use similar completion technology for its 5-well pad.

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 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.

PROCESSING AND TAKEAWAY

As previously disclosed, Coelacanth has secured up to 60 mmcf/d of firm processing service in addition to long-term takeaway on 60 mmcf/d of gas to be delivered into the Westcoast system and 1.5 mmcf/d to be delivered into the Alliance system.

With both initial processing and takeaway secured, Coelacanth’s business plan of building to over 20,000 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.

FINANCIAL

Coelacanth estimates positive working capital of approximately \$24 Million at the end of the third quarter.

FOR FURTHER INFORMATION PLEASE CONTACT:

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Oil and Gas Terms

The Company uses the following frequently recurring oil and gas industry terms in the news release:

Liquids

Bbls Barrels
Bbls/d Barrels per day
NGLs Natural gas liquids (includes condensate, pentane, butane, propane, and ethane)

Natural Gas

Mcf Thousands of cubic feet
Mcf/d Thousands of cubic feet per day
MMcf/d Millions of cubic feet per day

Oil Equivalent

Boe Barrels of oil equivalent
Boe/d Barrels of oil equivalent per day

Disclosure provided herein in respect of a boe may be misleading, particularly if used in isolation. A boe conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent has been used for the calculation of boe amounts in the news release. This boe conversion rate is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Product Types

The Company uses the following references to sales volumes in the news release:

Natural gas refers to shale gas

Oil refers to tight oil

NGLs refers to butane, propane and pentanes combined

Liquids refers to tight oil and NGLs combined

Oil equivalent refers to the total oil equivalent of shale gas, tight oil, and NGLs combined, using the conversion rate of six thousand cubic feet of shale gas to one barrel of oil equivalent as described above.

Forward-Looking Information

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "forecast", "plans", "guidance" and similar expressions are intended to identify forward-looking statements or information.

More particularly and without limitation, this document contains forward-looking statements and information relating to the Company's oil, NGLs and natural gas production and capital programs. The forward-looking statements and information are based on certain key expectations and assumptions made by the Company, including

expectations and assumptions relating to prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates, the performance of existing wells, the success of drilling new wells, the availability of capital to undertake planned activities and the availability and cost of labor and services.

Although the Company believes that the expectations reflected in such forward-looking statements and information are reasonable, it can give no assurance that such expectations will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production, delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of estimates and projections relating to production rates, costs and expenses, commodity price and exchange rate fluctuations, marketing and transportation, environmental risks, competition, the ability to access sufficient capital from internal and external sources and changes in tax, royalty and environmental legislation. The forward-looking statements and information contained in this document are made as of the date hereof for the purpose of providing the readers with the Company's expectations for the coming year. The forward-looking statements and information may not be appropriate for other purposes. The Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Production Rates

Any references to peak rates, test rates, IP30, IP90, IP180 or initial production rates or declines are useful for confirming the presence of hydrocarbons, however, such rates and declines are not determinative of the rates at which such wells will continue production and decline thereafter and are not indicative of long-term performance or ultimate recovery. IP30 is defined as an average production rate over 30 consecutive days, IP90 is defined as an average production rate over 90 consecutive days and IP180 is defined as an average production rate over 180 consecutive days. Readers are cautioned not to place reliance on such rates in calculating aggregate production for the Company.

Third-party Information

This news release includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by the Company to be true. Although the Company believes it to be reliable, it has not independently verified any of the data from third party sources referred to in this news release or analyzed or verified the underlying reports relied upon or referred to by such sources or ascertained the underlying economic and other assumptions relied upon by such sources. The Company believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this presentation are not guaranteed and the Company makes no representation as to the accuracy of such information.