



## COELACANTH ANNOUNCES Q4 2022 FINANCIAL AND OPERATING RESULTS

**CALGARY, ALBERTA (April 20, 2023) – COELACANTH ENERGY INC. (TSXV – CEI) (“Coelacanth” or the “Company”)** is pleased to announce its financial and operating results for the three months and year ended December 31, 2022. All dollar figures are Canadian dollars unless otherwise noted.

### 2022 HIGHLIGHTS

- On May 31, 2022, as a result of the closing of an arrangement agreement between Coelacanth, Leucrotta Exploration Inc. (“Leucrotta”), Vermilion Energy Inc. (“Vermilion”), and the shareholders of Leucrotta (the “Arrangement”), Leucrotta transferred approximately \$45.1 million cash, net of transaction costs, and certain oil and natural gas assets primarily located in the Two Rivers area of British Columbia (“Two Rivers Assets”) to Coelacanth in exchange for one common share of Coelacanth and 0.1917 of a common share purchase warrant of Coelacanth (one whole warrant being an “Arrangement Warrant”) for each common share of Leucrotta outstanding. The Coelacanth Shares and Arrangement Warrants were transferred to the shareholders of Leucrotta. Vermilion then acquired all of the issued and outstanding common shares of Leucrotta in exchange for \$1.73 cash for each common share of Leucrotta held.
- Completed the Vermilion private placement and management private placement as outlined in the Arrangement for proceeds of \$21.9 million.
- Received proceeds of \$14.6 million on exercise of 54.2 million Arrangement Warrants.
- Exited 2022 with adjusted working capital <sup>(2)</sup> of \$67.7 million.

Financial and operational results below present the carved-out historic financial position, results of operations and cash flows of Leucrotta’s Two Rivers Assets for all prior periods up to and including May 31, 2022 and the results of operations from May 31, 2022 forward include the results of Coelacanth after assuming the Two Rivers Assets upon close of the Arrangement.

FINANCIAL RESULTS (\$000s, except per share amounts)	Three Months Ended			Year Ended		
	December 31			December 31		
	2022	2021	% Change	2022	2021	% Change
<b>Oil and natural gas sales</b>	<b>1,676</b>	1,621	3	<b>7,833</b>	7,772	1
<b>Cash flow used in operating activities</b>	<b>(636)</b>	(805)	(21)	<b>(9,741)</b>	(2,730)	257
Per share - basic and diluted <sup>(1)</sup>	(-)	(-)	-	<b>(0.03)</b>	(0.01)	200
<b>Adjusted funds used <sup>(1)</sup></b>	<b>(60)</b>	(818)	(93)	<b>(350)</b>	(2,387)	(85)
Per share - basic and diluted	(-)	(-)	-	(-)	(0.01)	(100)
<b>Net loss</b>	<b>(725)</b>	(1,604)	(55)	<b>(11,163)</b>	(7,824)	43
Per share - basic and diluted	(-)	(0.01)	(100)	<b>(0.03)</b>	(0.03)	-
<b>Capital expenditures <sup>(1)</sup></b>	<b>8,876</b>	668	1,229	<b>13,904</b>	1,337	940
<b>Adjusted working capital <sup>(1)</sup></b>				<b>67,738</b>	265	25,462
<b>Common shares outstanding (000s)</b>						
Weighted average - basic and diluted	<b>425,106</b>	289,792	47	<b>363,743</b>	289,792	26
End of period - basic				<b>425,106</b>	-	na
End of period - fully diluted				<b>461,955</b>	-	na

(1) See “Non-GAAP and Other Financial Measures” section.

OPERATING RESULTS <sup>(1)</sup>	Three Months Ended			Year Ended		
	December 31			December 31		
	2022	2021	% Change	2022	2021	% Change
<b>Daily production <sup>(2)</sup></b>						
Oil and condensate (bbls/d)	55	72	(24)	62	102	(39)
Other NGLs (bbls/d)	15	24	(38)	18	29	(38)
Oil and NGLs (bbls/d)	70	96	(27)	80	131	(39)
Natural gas (mcf/d)	1,468	1,993	(26)	1,614	2,411	(33)
Oil equivalent (boe/d)	315	428	(26)	349	533	(35)
<b>Oil and natural gas sales</b>						
Oil and condensate (\$/bbl)	103.34	91.31	13	116.29	74.67	56
Other NGLs (\$/bbl)	45.14	41.53	9	49.98	32.78	52
Oil and NGLs (\$/bbl)	91.33	78.75	16	101.64	65.33	56
Natural gas (\$/mcf)	8.03	5.05	59	8.26	5.29	56
Oil equivalent (\$/boe)	57.83	41.16	41	61.48	39.97	54
<b>Royalties</b>						
Oil and NGLs (\$/bbl)	24.88	26.94	(8)	31.22	22.26	40
Natural gas (\$/mcf)	2.08	1.51	38	2.24	1.25	79
Oil equivalent (\$/boe)	15.25	13.08	17	17.50	11.14	57
<b>Operating expenses</b>						
Oil and NGLs (\$/bbl)	17.13	8.04	113	14.14	11.39	24
Natural gas (\$/mcf)	2.85	1.47	94	2.36	1.59	48
Oil equivalent (\$/boe)	17.11	8.66	98	14.15	9.99	42
<b>Transportation expenses</b>						
Oil and NGLs (\$/bbl)	1.91	2.15	(11)	2.70	2.33	16
Natural gas (\$/mcf)	1.30	0.64	103	1.08	1.19	(9)
Oil equivalent (\$/boe)	6.48	3.45	88	5.61	5.97	(6)
<b>Operating netback <sup>(3)</sup></b>						
Oil and NGLs (\$/bbl)	47.41	41.62	14	53.58	29.35	83
Natural gas (\$/mcf)	1.80	1.43	26	2.58	1.26	105
Oil equivalent (\$/boe)	18.99	15.97	19	24.22	12.87	88
Depletion and depreciation (\$/boe)	(14.26)	(15.10)	(6)	(14.79)	(19.80)	(25)
General and administrative expenses (\$/boe)	(46.11)	(36.70)	26	(36.34)	(25.13)	45
Share based compensation (\$/boe)	(14.02)	(6.30)	123	(75.61)	(7.87)	861
Gain on insurance proceeds (\$/boe)	-	-	-	5.16	-	100
Finance expense (\$/boe)	(2.59)	(1.19)	118	(3.14)	(0.83)	278
Finance income (\$/boe)	25.11	-	100	10.33	-	100
Other income (\$/boe)	1.53	2.61	(41)	1.12	0.53	111
Deferred income tax recovery (\$/boe)	6.32	-	100	1.44	-	100
<b>Net loss (\$/boe)</b>	<b>(25.03)</b>	<b>(40.71)</b>	<b>(39)</b>	<b>(87.61)</b>	<b>(40.23)</b>	<b>118</b>

(1) See "Oil and Gas Terms" section.

(2) See "Product Types" section.

(3) See "Non-GAAP and Other Financial Measures" section.

Selected financial and operational information outlined in this news release should be read in conjunction with Coelacanth's audited financial statements and related Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2022, which are available for review under the Company's profile on The System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

## COMMON-CONTROL TRANSACTION

On May 31, 2022, the arrangement agreement between Coelacanth, Leucrotta Exploration Inc. (“Leucrotta”), Vermilion Energy Inc. (“Vermilion”), and the shareholders of Leucrotta (the “Arrangement”) closed and Vermilion acquired all of the issued and outstanding common shares of Leucrotta in exchange for \$1.73 cash for each common share of Leucrotta held.

Pursuant to an asset conveyance agreement between Coelacanth and Leucrotta made as of May 31, 2022, and immediately prior to the closing of the Arrangement, Leucrotta transferred approximately \$45.1 million cash, net of transaction costs, and certain oil and natural gas assets primarily located in the Two Rivers area of British Columbia (“Two Rivers Assets”) to Coelacanth in exchange for one common share of Coelacanth (“Coelacanth Share”), and 0.1917 of a common share purchase warrant of Coelacanth (one whole warrant being an “Arrangement Warrant”) for each common share of Leucrotta outstanding. The Coelacanth Shares and Arrangement Warrants were then transferred to the shareholders of Leucrotta.

Since the shareholders of Coelacanth and Leucrotta were the same both before and after the conveyance of the Two Rivers Assets (at the time Coelacanth was a wholly-owned subsidiary of Leucrotta), this transaction was deemed a common-control transaction. The financial and operational results below present the historic financial position, results of operations and cash flows of the transferred Two Rivers Assets for all prior periods up to and including May 31, 2022 on a carve-out basis as if they had operated as a stand-alone entity subject to Leucrotta’s control. The financial position, results of operations and cash flows from March 24, 2022 (the date of incorporation of Coelacanth) to May 31, 2022 include both the Two Rivers Assets and Coelacanth on a combined basis and from May 31, 2022 forward include the results of Coelacanth after assuming the Two Rivers Assets upon close of the Arrangement.

## OPERATIONS UPDATE

Coelacanth commenced operations June 1, 2022, with its lands previously being a small part of a larger business plan for Leucrotta. Although the lands had been geologically delineated and production tested with vertical and horizontal test wells, there was significant infrastructure and corresponding pad drilling required to bring the greater vision for the area to fruition.

To that end, Coelacanth has geographically divided up its two projects as Two Rivers West (“TRW”) and Two Rivers East (“TRE”) with TRW already producing from two Montney wells into a small battery facility owned and operated by Coelacanth.

At TRW, a small pad has already been licensed and Coelacanth plans to have two wells completed on the pad and producing in Q4 2023. A battery upgrade was also initiated to accommodate additional volumes.

At TRE, a larger scale development is planned that includes constructing a battery to process up to 20,000 boe/d of production coming from larger pads that would carry our products to market through approximately 25 miles of new gathering and sales pipelines. The initial pad (5 wells) is planned offsetting a previously drilled Montney well that tested over a 1,000 boe/d but was only drilled with a one-mile lateral and completed with 41 fracs. New pad wells will be a minimum of 2-mile laterals and completed with approximately 160 fracs. To date, Coelacanth has completed the engineering design and secured a site to build a battery capable of handling approximately 20,000 boe/d, surveyed and started the process of securing land access to construct the gathering and sales pipelines, and applied for a license to drill its first pad at TRE.

Industry had previously experienced delays and uncertainty due to the court ruling on the dispute between the BC Government and Blueberry River First Nations regarding Treaty 8 rights. A settlement agreement was reached and announced on January 18, 2023, that will allow industry to resume business but with new restrictions to adhere to particularly on Crown surface lands.

Coelacanth now has more certainty as to the timing of the initial development of its large Montney resource and is excited to initiate this project.

## ORGANIZATIONAL UPDATE

On April 18, 2023, Mr. Dion Hatcher advised the Board that he will not be standing for re-election at the Company’s 2023 annual shareholders meeting as he focusses on his recently expanded responsibilities at Vermilion Energy. Although he will not serve on the Board next term, Mr. Hatcher expressed his support of the Coelacanth team and its projects and indicated that Vermilion Energy is very pleased with its investment in the Company. On behalf of the Board, Coelacanth’s Executive Chair, William Lancaster, thanked Mr. Hatcher for his exemplary service since June 2022, stating that, “Mr. Hatcher’s understanding of the Montney region and his global asset management experience was appreciated by the Board, and that while Mr. Hatcher will no longer serve the Board, Vermilion Energy remains a significant CEI shareholder and the Company looks forward to continued relationship strength”.

## 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)
Condensate	Pentane and heavier hydrocarbons

### **Natural Gas**

Mcf	Thousands of cubic feet
Mcf/d	Thousands of cubic feet per day
MMcf/d	Millions of cubic feet per day
MMbtu	Million of British thermal units
MMbtu/d	Million of British thermal units 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.

### **NON-GAAP AND OTHER FINANCIAL MEASURES**

This news release refers to certain measures that are not determined in accordance with IFRS (or "GAAP"). These non-GAAP and other financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered alternatives to, or more meaningful than, financial measures that are determined in accordance with IFRS as indicators of the Company's performance. Management believes that the presentation of these non-GAAP and other financial measures provides useful information to shareholders and investors in understanding and evaluating the Company's ongoing operating performance, and the measures provide increased transparency to better analyze the Company's performance against prior periods on a comparable basis.

#### **Non-GAAP Financial Measures**

##### **Adjusted funds used**

Management uses adjusted funds used to analyze performance and considers it a key measure as it demonstrates the Company's ability to generate the cash necessary to fund future capital investments and abandonment obligations and to repay debt, if any. Adjusted funds used is a non-GAAP financial measure and has been defined by the Company as cash flow used in operating activities excluding the change in non-cash working capital related to operating activities, movements in restricted cash deposits and expenditures on decommissioning obligations. Management believes the timing of collection, payment or incurrence of these items involves a high degree of discretion and as such may not be useful for evaluating the Company's cash flows. Adjusted funds used is reconciled from cash flow used in operating activities as follows:

(\$000s)	Three Months Ended		Year Ended	
	December 31		December 31	
	2022	2021	2022	2021
Cash flow used in operating activities	(636)	(805)	(9,741)	(2,730)
Add (deduct):				
Decommissioning expenditures	748	118	1,402	162
Restricted cash deposits	-	-	8,060	-
Change in non-cash working capital	(172)	(131)	(71)	181
Adjusted funds used (non-GAAP)	(60)	(818)	(350)	(2,387)

##### **Operating netback**

Management considers operating netback an important measure as it demonstrates its profitability relative to current commodity prices. Operating netback is calculated as oil and natural gas sales less royalties, operating expenses, and transportation expenses and is calculated as follows:

(\$000s)	Three Months Ended		Year Ended	
	December 31		December 31	
	2022	2021	2022	2021
Oil and natural gas sales	1,676	1,621	7,833	7,772
Royalties	(442)	(515)	(2,230)	(2,167)
Operating expenses	(495)	(341)	(1,802)	(1,943)
Transportation expenses	(188)	(136)	(715)	(1,160)
Operating netback (non-GAAP)	551	629	3,086	2,502

##### **Capital expenditures**

Coelacanth utilizes capital expenditures as a measure of capital investment on property, plant, and equipment, exploration and evaluation assets and property acquisitions compared to its annual budgeted capital expenditures. Capital expenditures are calculated as follows:

(\$000s)	Three Months Ended		Year Ended	
	December 31		December 31	
	2022	2021	2022	2021
Capital expenditures – property, plant, and equipment	4,372	475	8,944	888
Capital expenditures – exploration and evaluation assets	4,504	193	4,960	449
Capital expenditures (non-GAAP)	8,876	668	13,904	1,337

## Capital Management Measures

### Adjusted working capital

Management uses adjusted working capital as a measure to assess the Company's financial position. Adjusted working capital is calculated as current assets and restricted cash deposits less current liabilities, excluding the current portion of decommissioning obligations.

(\$000s)	December 31, 2022	December 31, 2021
Current assets	67,938	759
Less:		
Current liabilities	(8,901)	(494)
Working capital	59,037	265
Add:		
Restricted cash deposits	7,389	-
Current portion of decommissioning obligations	1,312	-
Adjusted working capital (Capital management measure)	67,738	265

## Non-GAAP Financial Ratios

### Adjusted Funds Used per Share

Adjusted funds used per share is a non-GAAP financial ratio, calculated using adjusted funds used and the same weighted average basic and diluted shares used in calculating net loss per share.

### Operating netback per boe

The Company utilizes operating netback per boe to assess the operating performance of its petroleum and natural gas assets on a per unit of production basis. Operating netback per boe is calculated as operating netback divided by total production for the applicable period.

## Supplementary Financial Measures

The supplementary financial measures used in this news release (primarily average sales price per product type and certain per boe and per share figures) are either a per unit disclosure of a corresponding GAAP measure, or a component of a corresponding GAAP measure, presented in the financial statements. Supplementary financial measures that are disclosed on a per unit basis are calculated by dividing the aggregate GAAP measure (or component thereof) by the applicable unit for the period. Supplementary financial measures that are disclosed on a component basis of a corresponding GAAP measure are a granular representation of a financial statement line item and are determined in accordance with GAAP.

## PRODUCT TYPES

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

**Natural gas** refers to shale gas

**Oil and condensate** refers to condensate and tight oil combined

**Other NGLs** refers to butane, propane and ethane combined

**Oil and NGLs** 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.

The following is a complete breakdown of sales volumes for applicable periods by specific product types of shale gas, tight oil, and NGLs:

Sales Volumes by Product Type	Three Months Ended December 31		Year Ended December 31	
	2022	2021	2022	2021
Condensate (bbls/d)	6	11	9	15
Other NGLs (bbls/d)	15	24	18	29
NGLs (bbls/d)	21	35	27	44
Tight oil (bbls/d)	49	61	53	87
Condensate (bbls/d)	6	11	9	15
Oil and condensate (bbls/d)	55	72	62	102
Other NGLs (bbls/d)	15	24	18	29
Oil and NGLs (bbls/d)	70	96	80	131
Shale gas (mcf/d)	1,468	1,993	1,614	2,411
Natural gas (mcf/d)	1,468	1,993	1,614	2,411
Oil equivalent (boe/d)	315	428	349	533

## **FORWARD-LOOKING INFORMATION**

This document 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 news release contains forward-looking statements and information relating to the Company’s oil and condensate, other NGLs, and natural gas production, capital programs, and adjusted working capital. 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 labour 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.

Coelacanth is an oil and natural gas company, actively engaged in the acquisition, development, exploration, and production of oil and natural gas reserves in northeastern British Columbia, Canada.

### **Further Information**

For additional information, please contact:

Coelacanth Energy Inc.  
Suite 2110, 530 – 8<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3S8  
Phone: (403) 705-4525  
[www.coelacanth.ca](http://www.coelacanth.ca)

Mr. Robert J. Zakresky  
President and Chief Executive Officer

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

**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.**