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CHRONOS RESOURCES LTD. AND SAMOTH OILFIELD INC. ANNOUNCE TRANSFORMATIVE BUSINESS COMBINATION AND $65.0 MILLION EQUITY FINANCING

Calgary, Alberta – November 7, 2022 – Chronos Resources Ltd. ("**Chronos**") and Samoth Oilfield Inc. ("**Samoth**") (TSXV: SCD) are pleased to announce that they have entered into a definitive agreement dated November 7, 2022 (the "**Agreement**") providing for a business combination transaction (the "**Transaction**").

Pursuant to the Transaction:

(i) Chronos will complete an equity private placement (the "**Financing**") for maximum aggregate gross proceeds of $65.0 million;

(ii) Chronos and Samoth will complete a business combination which will result in the reconstitution of the management team and board of directors of Samoth with the current management team (the "**New Management Team**") and board of directors (the "**New Board**") of Chronos. The New Management Team will be led by Dave Burton as President and Chief Executive Officer, Lindsay Goos as Chief Financial Officer, Jamie Conboy as Vice President, Exploration, Kyle Boon as Vice President, Operations and Jeff Rideout as Vice President, Land. The New Board will be comprised of Dave Burton, Kevin Olson, Ian Atkinson, Ali Horvath, Bruce Beynon, Don Cowie, and Kel Johnston. Sanjib (Sony) Gill, a partner in the Calgary office of the national law firm Stikeman Elliott LLP, will act as Corporate Secretary. In addition, Neil Roszell will serve as a Special Advisor to the New Board;

(iii) the resulting issuer created from the combination of Samoth and Chronos (the "**Resulting Issuer**") will be renamed "Lycos Energy Inc." (the "**Name Change**") and is expected to trade on the TSX Venture Exchange (the "**TSXV**") under the new stock symbol "LCX" as a Tier 1 oil and gas issuer;

(iv) each issued and outstanding common share in the capital of Chronos (each, a "**Chronos Share**") will be acquired by Samoth in exchange for twenty (20) common shares in the capital of Samoth ("**Samoth Shares**") at a deemed price of C$0.035 per Samoth Share (the "**Acquisition**"), with the final number of Samoth Shares to be issued being determined based on the size of the Financing; and

(v) Samoth will complete a consolidation of the Samoth Shares on the basis of one (1) post-consolidation Samoth Share (each, a "**Resulting Issuer Share**") for every eight (8) pre-consolidation Samoth Shares (the "**Consolidation**"), representing an exchange ratio, on a post-Consolidation basis, of two and a half (2.5) Resulting Issuer Shares at a deemed price of C$0.28 per Resulting Issuer Shares for every Chronos Share.

The Transaction is expected to be completed on or about December 12, 2022, subject to the completion of the Financing and customary closing conditions, including approval by the TSXV.

Chronos Overview

Chronos is an oil-focused, exploration, development and production company based in Calgary, Alberta, operating high-quality, heavy-oil, development assets in the Gull Lake area of southwest Saskatchewan and heavy-oil assets in the Lloydminster area of Saskatchewan and Alberta (collectively, the "**Assets**").

Pre-Transaction Corporate Highlights

Successful Leadership Team

- Extensive experience drilling and completing multi-stage horizontal wells in unconventional resource plays
- Management team has previously led drilling programs in the Sparky, Shaunavon and Viking
- Experienced board of directors ensures highest standards of corporate governance and capital stewardship

Compelling Emerging Development Asset

- Development inventory of 100+ risked locations
- Wells are low-cost vs. deeper plays in basin, reducing event risk and increasing economics of program
- Optimized drilling and completion techniques are leading to improved initial rates and lower costs

Strong Financial Position

- Low decline production base provides stable free cash flow with limited maintenance capital or liability management
- Strong balance sheet with no debt and forecast 2022E Q4 Annualized EBITDA of >$11.7 million
- Positive working capital of $2.2 million
- 2022 capital program of $6.7 million fully funded with cash flow
- 2023 capital program to be expanded to include increased drilling, new facilities and acquisition capital

Low Decline Production Base

- Heavy oil production of 1,050 boe/d (99% oil) in SW Saskatchewan and Lloydminster
  - Lloydminster – Mannville stacked sands and channels – Colony, Mclaren, Waseca, Sparky, GP, Rex, Lloyd and Cummings, 99% operated with average working interest of 98%
  - SW Saskatchewan – Cantuar, Success, Roseray and Upper Shaunavon formations

- Stable production with low decline rate (<10%)
  - Decline from Q1 to Q2 2022 was 0% with no drilling
  - Enhanced by a waterflood program and continuous field optimization

Asset Summary

Current production(1)	**1,050** boe/d (99% oil)
Annual decline rate(2)	<10%
Land(3)	38,904 net acres
Net locations(4)	42.5 booked (**32.5** unbooked)
Forecast 2023 month forward operating netback(5)	$38.89/boe
Run rate net operating income (6)	$15.4 million
Reserves	
Proved developed producing ("PDP") reserves(7)	1,295 Mboe

Proved reserves(7)	2,588 Mboe
Total proved + probable reserves(7)	5,108 Mboe
TPP RLI(7)(8)	15.2 years

Notes:

(1) Comprised of 829 bbl/d heavy oil, 142 bbl/d light and medium oil, and 474 mcf/d natural gas

(2) Decline rate based on 2021 versus 2020 PDP reserves. See "*Reader Advisory – Reserves Disclosure*", below.

(3) 15,482 net undeveloped and developed acres in southwest Saskatchewan and 23,422 net undeveloped and developed acres in Lloydminster.

(4) 42.5 net booked locations (25.8 proved undeveloped plus 16.7 probable undeveloped). See "*Reader Advisory – Drilling Locations*" for additional details.

(5) The estimated operating netback was derived using estimated go-forward royalties and operating costs utilizing 27.01/boe, 2023 flat pricing which averages US$80/bbl WTI, US$17.25 WCS/bbl all for the forecasted 12-month period from January, 2023 to December, 2023 and a US dollar/Canadian exchange rate of 1.35 CAD:USD. The operating cost and royalty utilized for the operating netback calculation is $27.01/boe and $13.01/boe (or 16.5% of oil and gas revenue), respectively. See "*Reader Advisory – Specified Financial Measures*" for additional detail.

(6) Run rate net operating income is based on the expected fourth quarter average production of 1,242 boe/d, and an operating netback in respect of the Assets of $33.54/boe. See Note (5), above, and "*Reader Advisory – Specified Financial Measures* " for additional details.

(7) Working interest before royalty reserves. See "*Reader Advisory – Reserves Disclosure*".

(8) The reserve life index ("**RLI**") is calculated by dividing TPP reserves as of December 31, 2021 (5,108 MMboe) by estimated production on the Closing Date of 1,193 boe/d. RLIs are not necessarily comparable between different issuers as there may be variation in calculation methodology. Management views RLI as a useful measure of the length of time the reserves would be produced at the estimated rate of production. See "*Reader Advisory – Reserves Disclosure*".

New Management Team

The Resulting Issuer will be led by the existing management team of Chronos: Dave Burton (President and Chief Executive Officer); Lindsay Goos (Vice President, Finance and Chief Financial Officer); Jamie Conboy (Vice President, Exploration); Kyle Boon, (Vice President, Operations); Jeff Rideout (Vice President, Land); and Sony Gill (Corporate Secretary).

Dave Burton, President and Chief Executive Officer (Calgary, Canada)

Mr. Burton has more than 27 years of experience in the upstream oil and gas industry in all facets of petroleum engineering work including reservoir engineering, evaluations, secondary and tertiary recovery, unconventional oil and gas, area development and acid gas projects including work on CO2 sequestration in coals. He has had numerous executive roles and been involved in founding multiple successful start up energy companies. Prior to founding Chronos, Mr. Burton was a co-founder at Raging River Exploration Inc. ("**Raging River**") and Wild Stream Exploration Inc. ("**Wild Stream**").

Mr. Burton is a professional engineer and a member of the Alberta Association of Professional Engineers and Geoscientists of Alberta. Mr. Burton holds degrees in Petroleum Engineering from the University of Alberta (BSc) and a Master of Engineering degree in Chemical and Petroleum Engineering from the University of Calgary.

Lindsay Goos, Vice President, Finance and Chief Financial Officer (Calgary, Canada)

Ms. Goos has 20 years of experience in the oil and gas industry in the disciplines of finance, financial reporting, budgeting, accounting, management, treasury, tax and business development. Previously, Founder, VP Finance & CFO of Imaginea Energy Ltd. and prior thereto Controller of BlackShire Energy Ltd. Ms. Goos began her professional career with KPMG LLP and has held progressively senior roles at various other oil and gas companies.

Ms. Goos is a member of the Chartered Professional Accountants of Alberta and is a Chartered Professional in Human Resources of Alberta. Ms. Goos holds a Bachelor of Commerce and Arts degree from the University of Saskatchewan.

Jamie Conboy, Vice President, Exploration (Calgary, Canada)

Jamie Conboy is professional geologist, most recently working as subsurface lead with Bison Low Carbon Ventures (CCS) and formerly as founding member of the Storm Group of companies for 20 years in capacities of Vice President Geoscience and Chief Geologist. In his previous 12 years in the industry Mr. Conboy has worked on a variety of properties and play types at Canadian Hunter Exploration Ltd, Renaissance Energy Ltd. and Pinnacle Resources Ltd, among others.

Mr. Conboy is a registered Professional Geologist and Responsible Member of APEGA in the Province of Alberta and holds a B.Sc. (Honours) in Geology from Queen's University (1992).

Kyle Boon, Vice President, Operations (Calgary, Canada)

Mr. Boon has 20 years' experience in the Western Canadian oil and gas sector. Mr. Boon most recently was a Founder and the Drilling and Completions Manager of Raging River and prior thereto held the role of Senior Production Technologist at Wild Stream.

Mr. Boon holds a Petroleum Engineering Technology Diploma from the Northern Alberta Institute of Technology and is a member of the Association of Science & Engineering Technology Professionals of Alberta (ASET).

Jeff Rideout, Vice President, Land (Calgary, Canada)

Mr. Rideout has over 20 years of experience in the oil and gas industry in the disciplines of commercial negotiations, acquisitions and divestitures in private, public and service companies. Mr. Rideout was previously a Senior Land/Commercial Negotiator with Whitecap Resources Inc., TORC Oil and Gas Ltd, and prior thereto Founder and Vice President Elkhorn Resources Inc.

Jeff holds his Professional Landman (P.Land) designation and earned a Master of Business Administration (MBA) degree from The Haskayne School of Business, and a Bachelor of Arts (B.A.) degree from the University of Calgary.

Sony Gill, Corporate Secretary (Calgary, Canada)

Mr. Gill is a partner at Stikeman Elliot LLP in the Capital Markets and Mergers & Acquisitions Groups. His practice focuses on public and private company creation, growth, restructuring and value maximization. He has extensive experience in the negotiation, structuring and consummation of a broad range of corporate finance, securities and M&A transactions, including public and private debt and equity financings, strategic investments, joint ventures, recapitalizations, restructurings, takeover bids, reverse takeovers, asset acquisitions and divestitures, share purchases and dispositions, plans of arrangement, spin-outs and other forms of business combination and corporate activity.

New Board

Upon completion of the Transaction, the New Board will be comprised of Dave Burton and the following independent directors: Kevin Olson (Chair), Ian Atkinson, Ali Horvath, Bruce Beynon, Don Cowie and Kel Johnston. In addition, Neil Roszell will serve as a Special Advisor to the New Board. The members of the New Board have strong track records and distinguished careers in both the oil and gas industry and capital markets, each having held prominent lead positions within a range of successful companies. Their combined experience and expertise will provide the New Management Team with invaluable advice, guidance and support.

Kevin Olson, Chair (Calgary, Canada)
Mr. Olson has over 27 years of industry experience and is currently a director of Headwater Exploration Inc. ("**Headwater**"). Mr. Olson is a former board member of Raging River, Wild Stream, Wild River Resources Inc. ("**Wild River**") and Prairie Schooner Petroleum Ltd. Mr. Olson has managed four early stage energy funds and served as a director of a variety of exploration and production companies and petroleum services companies. Formerly Mr. Olson was Vice-President, Corporate Finance at FirstEnergy Capital Corp. and Vice-President, Corporate Development for Northrock Resources Ltd. Mr. Olson holds a Bachelor of Commerce degree majoring in finance and accounting from the University of Calgary.

Ian Atkinson (Calgary, Canada)
Mr. Atkinson has been the founder of several private and public oil and gas companies, with over 27 years of technical, executive and board of director experience. Mr. Atkinson has been President and CEO of Southern Energy Corp. (formerly Gulf Pine Energy Partners LP) since 2014. Prior thereto, Mr. Atkinson was a founder and Senior Executive Officer of Athabasca Oil Corporation.

Ali Horvath (Calgary, Canada)
Ms. Horvath is the Vice President, Finance and Chief Financial Officer of Headwater. Ms. Horvath was previously a founder and the Controller of Raging River and prior thereto was a Senior Financial Accountant with Wild Stream. Ms. Horvath is a Chartered Professional Accountant and holds a Bachelor of Management degree from the University of Lethbridge.

Kel Johnston (Calgary, Canada)
Mr. Johnston is currently CEO of Wylander Crude Corp, a firm that provides consultancy services to oil and gas and private equity clients in Canada and the USA. He is also a Technical Advisor to Carbon Infrastructure Partners.

Mr. Johnston has forty years of technical/financial/ ESG experience in the Canadian and Northern USA oil and gas sector, and capital markets experience from public companies to the oversight of private equity investments to leading edge carbon Capture and Storage knowledge. He has been directly involved in the conceptualization, discovery and exploitation of numerous oil and gas pools from the foothills of Alberta, BC and Montana to the plains of SE Saskatchewan. Mr.Johnston has maintained technical skills through ownership/active technical role in a private E&P company that holds interests in 2 CCUS projects. He has over thirty years of experience as a founder, executive and board member of numerous public and private oil and gas companies. Direct experience in a wide range of corporate activities including capital markets, private equity, ESG, mergers, sales/acquisition/strategic processes and IPOs.

Mr. Johnston is a Professional Geologist and holds a Bachelor of Science (Hons.) degree in Geology from the University of Manitoba and a Masters degree in Economics from the University of Calgary.

Bruce Beynon (Calgary, Canada)
Mr. Beynon is a professional geologist with over 30 years of oil and gas industry experience. Mr. Beynon is currently the President of Tiburon Exploration Corp., a private consulting company. Prior thereto, Mr. Beynon was Executive Vice President, Exploration and Corporate Development at Baytex Energy Corp. Prior to the merger between Baytex and Raging River, Mr. Beynon held several positions with Raging River including President, Executive Vice President and Vice President, Exploration. Mr. Beynon graduated with a Bachelors and Masters of Science degree in Geology from the University of Alberta. Mr. Beynon serves on the Board of Southern Energy Corp., a TSXV listed company with focused operations in the southeast Gulf States of the US.

Don Cowie (Calgary, Canada)
Mr. Cowie was the founding Partner of JOG Capital in 2002 and was the President of the firm from its inception until his retirement in December 2017. JOG raised over $1 Billion dollars in upstream oil and gas

capital during his tenure. Prior to founding JOG, Mr. Cowie was the head of Energy Investment Banking for Bank of America in Calgary, and prior thereto was one of the founders and directors of two junior oil and gas companies.

Special Advisor to the New Board

<u>Neil Roszell (Calgary, Canada)</u>
Mr. Roszell is the CEO & Chairman of Headwater and has been a founder of six successful oil and gas companies. His roles have included Director, President and Chief Executive Officer of Raging River, Wild Stream and Wild River. Prior thereto he was President and Chief Operating Officer of Prairie Schooner Petroleum Ltd. and Vice-President of Engineering of Great Northern Exploration Ltd. Mr. Roszell has a Bachelor of Applied Science degree in Engineering from the University of Regina.

Corporate Strategy

The New Management Team has extensive experience in creating shareholder value through a focused full-cycle business plan and believes the current market environment provides an excellent opportunity to reposition Samoth through the consolidation of high-quality assets at attractive acquisition values. Following the completion of the Transaction, the New Management Team expects to focus on predominantly heavy oil opportunities in Alberta and Saskatchewan, growing through a targeted acquisition and consolidation strategy complemented by development and exploration drilling. The recapitalized corporate structure will allow the Resulting Issuer to exploit its opportunity suite through internally generated prospects and strategic acquisitions. The New Management Team will focus on maintaining a clean balance sheet while targeting high quality, oil weighted assets with sustainable cash flow under current commodity prices.

The New Management Team expects to acquire and develop underexploited, undercapitalized and distressed assets and corporates. In addition, the New Management Team intends to implement cost reduction strategies and focus on efficient capital allocation to enhance investor returns. The recapitalized Company will invest in the highest tier drilling inventory while generating free cash flow to fund further acquisitions and potential dividends.

Upon completion of the Transaction, the Resulting Issuer is expected to have a net cash position of approximately $63.2 million, assuming the Private Placement is fully subscribed. The New Management Team believes that this starting point will provide it with a platform for aggressive growth through strategic acquisitions and internally generated prospects. Upon completion of the Transaction and subject to all regulatory and shareholder approvals, it is anticipated that the New Management Team will change the name of Samoth from "Samoth Oilfield Inc." to "Lycos Energy Inc.".

The Acquisition

Completion of the Acquisition is subject to the satisfaction of a number of conditions, including, but not limited to: (i) receipt of the approval of shareholders of Chronos; (ii) receipt of conditional approval from the TSXV for the Transaction and the issuance of Samoth Shares pursuant to the Transaction; (iii) completion of the Financing, which shall be deemed to occur once the net proceeds of the sale of the Subscription Receipts (as defined below) are released to Chronos and the subscription receipts (the "**Subscription Receipts**") of Chronos are exchanged for Chronos Shares, which shall occur upon the Escrow Release Conditions (as defined below) being satisfied, as described below; (iv) all conditions under the Agreement (other than the issuance of Samoth Shares necessary to complete the Transaction) having been satisfied or waived; and (v) receipt of all other required regulatory, governmental and third party approvals.

Pursuant to the Acquisition:

(i) all of the outstanding Chronos Shares, including the 31,399,439 Chronos Shares currently issued and outstanding and such number of Chronos Shares as may be issued pursuant to the Financing, including in exchange for the Subscription Receipts, shall be exchanged for Resulting Issuer Shares by the holders thereof, on the basis two and a half (2.5) Resulting Issuer Shares for every one Chronos Share held (as per a deemed value of $0.70 per Chronos Share); and

(ii) all of the Chronos Share purchase warrants ("**Chronos Warrants**") to be issued pursuant to the Financing, shall be adjusted in accordance with paragraph (i) above.

The Financing

In conjunction with the completion of the Acquisition, Chronos will complete:

(i) a private placement of Subscription Receipts at a price of $0.70 per Subscription Receipt for maximum aggregate gross proceeds of up to $53.0 million (the "**Subscription Receipt Private Placement**"); and

(ii) a private placement of units (the "**Units**") of Chronos at a price of $0.70 per Unit for maximum aggregate gross proceeds of up to $12.0 million to certain members of the New Management Team and the New Board, together with certain additional subscribers identified by such persons, with each Unit being comprised of one (1) Chronos Share and one (1) Chronos Warrant (the "**Unit Private Placement**").

The completion of the Financing is expected to occur on or about November 28, 2022.

Gross proceeds from the sale of Subscription Receipts will be held in escrow pending the satisfaction of the escrow release conditions set out in the subscription receipt agreement (the "**Subscription Receipt Agreement**") to be entered into between Chronos and the subscription receipt agent. Gross proceeds from the sale of the Units will also be held in escrow pending the satisfaction of the escrow release conditions set out in the subscription agreements to be entered into in respect of the Unit Private Placement. The escrow release conditions for both the Subscription Receipts and the Units include the satisfaction of all conditions precedent to completing the Transaction as set forth in the Agreement and, in the case of the Subscription Receipts only, the Subscription Receipt Agreement. Upon the satisfaction of the escrow release conditions, net proceeds from the sale of the Subscription Receipts and Units will be released from escrow to Chronos and for no additional consideration and without any further action on the part of the holder thereof: (i) Common Shares will be issued to holders of Subscription Receipts; and (ii) Common Shares and Warrants will be released to holders of Units. If the escrow release conditions are not satisfied or the Agreement is terminated in accordance with its terms, the purchase price for the Subscription Receipts and the Units will be returned pro rata to subscribers, together with a pro rata portion of interest earned on the escrowed funds, if any.

Each Chronos Warrant will entitle the holder thereof to purchase one (1) Chronos Share for a period of five (5) years following the date of issuance at an exercise price of $0.70 per Chronos Warrant (the "**Exercise Price**") and shall vest and become exercisable as to one-third upon the 10-day weighted average trading price of the Chronos Shares (the "**Market Price**") equaling or exceeding $1.05, an additional one-third upon the Market Price equaling or exceeding $1.23 and a final one-third upon the Market Price equaling or exceeding $1.40 (which Chronos Warrants, upon completion of the Transaction, shall represent a right to acquire Resulting Issuer Shares, as adjusted to reflect the Transaction and the Consolidation).

The net proceeds of the Financing will be used to fund the Resulting Issuer's operations and for working capital and general corporate purposes. Completion of the Financing is a condition precedent to the completion of the Acquisition. In the event Chronos is unable to complete the Financing on satisfactory terms, Chronos and Samoth will be unable to complete the Acquisition.

Name Change and Consolidation

On August 11, 2022, at an annual general and special meeting, the shareholders of Samoth approved the Name Change and the Consolidation.

Contemporaneous with the closing of the Acquisition (subject to TSXV acceptance), the name of the Resulting Issuer will change from "Samoth Oilfield Inc." to "Lycos Energy Inc." and the Consolidation will be completed on the basis of one (1) post-Consolidation Resulting Issuer Share for every eight (8) pre-Consolidation Samoth Shares.

No fractional shares will be issued. Any fractional interest in Resulting Issuer Shares that is less than 0.5 resulting from the Consolidation will be rounded down to the nearest whole Resulting Issuer Share and any fractional interest in Resulting Issuer Shares that is 0.5 or greater will be rounded up to the nearest whole Resulting Issuer Share.

Chronos and Samoth expect that the trading of the Resulting Issuer Shares on the TSXV under the name "Lycos Energy Inc." and symbol "LCX" will commence two or three trading days after the closing date of the Transaction.

Completion of the Transaction

The resignation of the current board of directors and management team of Samoth and the appointment of the New Management Team and the New Board will occur contemporaneous with the closing of the Acquisition.

Upon completion of the Acquisition, assuming gross proceeds of the Financing of $65.0 million, the Resulting Issuer is expected to have a net cash position of approximately $63.2 million.

The Acquisition and the Financing will not materially affect control of Samoth and will not result in the creation of a new "control person", as such term is defined by the policies of the TSXV. In addition, the Transaction will not result in a "change of control" of Samoth, as such term is defined by the policies of the TSXV.

The Acquisition is expected to constitute a "fundamental acquisition" pursuant to the policies of the TSXV and is subject to the acceptance of the TSXV.

Sponsorship of the Transaction may be required by the TSXV unless exempt therefrom in accordance with the TSXV's policies or unless the TSXV provides a waiver. Samoth has applied for a waiver from the sponsorship requirements pursuant to the policies of the TSXV. If the waiver is not granted by the TSXV, then Samoth would be required to engage a sponsor or will seek an exemption from the sponsorship requirement.

Samoth is at arm's length to Chronos. The Transaction is not a related party transaction.

About Samoth

Samoth is an exploration-focused corporation pursuing opportunities in the natural gas business in the Alberta. As of the date hereof, there are 34,312,055 Samoth Shares issued and outstanding.

About Chronos

Chronos was incorporated in the province of Alberta in 2012. Chronos is an oil-focused, exploration, development and production company based in Calgary, Alberta, operating high-quality, heavy-oil, development assets in the Gull Lake area of southwest Saskatchewan and heavy-oil assets in the Lloydminster area.

The current directors and officers of Chronos are: Dave Burton (President, Chief Executive Officer and a Director); Ian Atkinson (Director); Tyson Birchall (Director); Don Cowie (Director); Kel Johnston; (Director); Lindsay Goos (Vice President, Finance and Chief Financial Officer); Jamie Conboy (Vice President, Exploration); Kyle Boon, (Vice President, Operations); and Jeff Rideout (Vice President, Land).

As of the date of this press release, there are 31,399,439 Chronos Shares issued and outstanding, which, for greater certainty, does not include any Chronos Shares or Chronos Warrants to be issued pursuant to the Financing. Should an aggregate Financing amount of $65.0 million be subscribed for, Chronos will have 124,256,582 Chronos Shares and 17,142,857 Chronos Warrants outstanding.

As a group, as at the date hereof, the directors and senior officers of Chronos currently own or control (directly or indirectly) 3,292,771 Chronos Shares, representing approximately 9.54**%** of the outstanding Chronos Shares.

Financial Information

The table below presents selected financial information for Chronos (on a consolidated basis).

	June 30, 2022(1) $000s	**December 31, 2021**(2) $000s
Revenues	16,184	13,934
Expenses	(1,070)	(520)
Net Income	15,661	14,433
Total Assets	76,520	64,369
Total Liabilities	23,119	26,629
Total Shareholders' Equity (Deficit)	53,401	37,740

Notes:

(1) Based on the unaudited consolidated financial statements for the six-month period ended June 30, 2022.

(2) Based on the audited financial statements for the year ended December 31, 2021.

Advisors

National Bank Financial Inc., DeltaCap Partners Inc. and Everleaf Capital Corp. are acting as Financial Advisors to Chronos with respect to the Transaction and the Subscription Receipt Private Placement.

Chronos will be paying advisory fees to National Bank Financial Inc., DeltaCap Partners Inc. and Everleaf Capital Corp. in connection with the Transaction and the Subscription Receipt Private Placement, as applicable.

Stikeman Elliott LLP is acting as legal counsel to Chronos in respect of the Acquisition and the Financing and will act as counsel to the Resulting Issuer upon completion of the Transaction.

Additional Information

For further information, please contact:

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Reader Advisory

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

This press release is not an offer of the securities for sale in the United States. The securities may not be offered or sold in the United States absent registration or an available exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and applicable U.S. state securities laws. Samoth will not make any public offering of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

BOE and Oil Disclosure

The term barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet per barrel (6 Mcf/bbl) of natural gas to barrels of oil equivalence is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All boe conversions in the report are derived from converting gas to oil in the ratio mix of six thousand cubic feet of gas to one barrel of oil.

Throughout this press release, "crude oil" or "oil" refers to light, medium and heavy crude oil product types as defined by National Instrument 51-101 – Standards of Disclosure of Oil and Gas Activities ("**NI 51-101**"). References to "NGLs" throughout this press release comprise pentane, butane, propane, and ethane, being all NGLs as defined by NI 51-101. References to "natural gas" throughout this press release refers to conventional natural gas as defined by NI 51-101.

Reserves Disclosure

All reserves information in this press release was prepared by Sproule Associates Limited ("Sproule") for Chronos on April 23, 2022, effective December 31, 2021, using Sproule's December 31, 2021 forecast prices and costs in accordance with NI 51-101 and the most recent publication of the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**").

All reserve references in this press release are "Company gross reserves". Company gross reserves are Chronos's total working interest reserves before the deduction of any royalties payable by Chronos and before the consideration of Chronos's royalty interests. It should not be assumed that the present worth of estimated future cash flow of net revenue presented herein represents the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The recovery and reserve estimates of Chronos's crude oil, NGLs and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered.

Actual crude oil, natural gas and NGLs reserves may be greater than or less than the estimates provided herein.

Drilling Locations

This press release discloses drilling inventory in three categories: (a) proved locations; (b) probable locations; and (c) unbooked/potential locations. Proved locations and probable locations are derived from the reserves evaluation prepared by Sproule for Chronos in accordance with NI 51-101 and the COGE Handbook and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on the prospective acreage of the Assets and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Of the 70.25 identified net drilling locations identified within the Assets, 17.9 are net proved locations, 18.89 are net probable locations and 33.5 are net potential unbooked locations. Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that the Resulting Issuer will drill all unbooked drilling locations and if drilled, there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which the Resulting Issuer actually drills wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations being de-risked by drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir, and therefore, there is more uncertainty whether wells will be drilled in such locations. If these wells are drilled, there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Abbreviations

AECO	Alberta Energy Company's natural gas storage facility located at Suffield, Alberta
bbl	barrels of oil
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
GJ	gigajoule
Mcf	thousand cubic feet
MMboe	million barrels of equivalent
MMcf	million cubic feet
MMcf/d	million cubic feet per day
NGL	natural gas liquids
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade

Specified Financial Measures

This press release includes various specified financial measures, including non-IFRS financial measures, non-IFRS financial ratios and capital management measures as further described herein. These measures do not have a standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and, therefore, may not be comparable with the calculation of similar measures by other companies. Operating netback, EBITDA and run rate net operating income, are not recognized measures under IFRS. Management believes that in addition to net income (loss), run rate net operating income, EBITDA and operating netback are useful supplemental measures that demonstrate Chronos's ability to generate the cash necessary to repay debt or fund future capital investment. Chronos considers operating netback as an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. Chronos considers run rate net operating income as an important measure to illustrate how Chronos would have performed if the Acquisition had been consummated at the start of the period. Investors are cautioned, however, that these measures should not be construed as an alternative to net income (loss) determined in accordance with IFRS as an indication of Chronos's performance. Chronos's method of calculating these measures may differ from other companies and accordingly, they may not be comparable to measures used by other companies. Operating netback equals total petroleum and natural gas sales less royalties and operating expenses, divided by production on a boe basis. EBITDA (non-IFRS financial measure) is calculated as consolidated net income (loss) before interest and financing expenses, income taxes, depletion, depreciation and amortization, adjusted for certain non-cash, extraordinary and non-recurring items primarily relating to unrealized gains and losses on financial instruments and impairment losses. Chronos considers this metric as key measures that demonstrate the ability of Chronos 's continuing operations to generate the cash flow necessary to maintain production at current levels and fund future growth through capital investment and to service and repay debt. The most directly comparable IFRS measure to EBITDA is cash provided by operating activities.

Future Oriented Financial Information

Any financial outlook or future oriented financial information in this press release, as defined by applicable securities legislation, including future (but not limited to) operating and fixed costs (and reductions thereto), general and administrative costs, revenue and operating income, has been approved by management of Chronos. Readers are cautioned that any such future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein. Chronos and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, Chronos's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future activities or results.

Forward-Looking and Cautionary Statements

Certain information included in this press release constitutes forward-looking information under applicable securities legislation. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project", "will" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this press release may include, but is not limited to, statements concerning: timing of the Transaction; satisfaction or waiver of the closing conditions in the Agreement; receipt of required legal and regulatory approvals for the completion of the Transaction (including approval of the TSXV and the shareholders of Chronos); estimated assumed liabilities associated with the Assets; expected production and cash flow related to the Assets; expected number of future drilling locations related to the Assets; decline rates; the anticipated closing date of the Financing; the use of proceeds from the Financing; the completion of the Name Change; the completion of the Consolidation on the terms described herein; reserve estimates; future production levels; decline rates; drilling locations; future negotiation of contracts; future consolidation opportunities and acquisition targets; the business plan, cost model and strategy of the Resulting Issuer; future cash flows; and future commodities prices.

The forward-looking statements contained in this press release are based on certain key expectations and assumptions made by Chronos, including expectations and assumptions concerning the receipt of all approvals and satisfaction of all conditions to the completion of the Acquisition, Financing, Name Change and Consolidation, the timing of and success of future drilling, development and completion activities, the performance of existing wells, the performance of new wells, the availability and performance of facilities and pipelines, the geological characteristics of the Assets, the successful application of drilling, completion and seismic technology, prevailing weather conditions, prevailing legislation affecting the oil and gas industry, commodity prices, royalty regimes and exchange rates, the application of regulatory and licensing requirements, the availability of capital, labour and services, the creditworthiness of industry partners and the ability to source and complete asset acquisitions.

Although Chronos believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Chronos can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), constraint in the availability of services, commodity price and exchange rate fluctuations, the current COVID-19 pandemic, actions of OPEC and OPEC+ members, changes in legislation impacting the oil and gas industry, adverse weather or break-up conditions and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures.

Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. Although Chronos believes that the expectations reflected in its forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because Chronos can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this press release, assumptions have been made regarding and are implicit in, among other things, the timely receipt of any required regulatory approvals and the satisfaction of all conditions to the completion of the Acquisition, Financing, Name Change and Consolidation. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used.

The forward-looking information contained in this press release is made as of the date hereof and Chronos undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward- looking information contained in this press release is expressly qualified by this cautionary statement.

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.