

CHRONOS RESOURCES LTD. AND SAMOTH OILFIELD INC. ANNOUNCE CLOSING OF TRANSFORMATIVE BUSINESS COMBINATION TO FORM LYCOS ENERGY INC.

Calgary, Alberta – December 12, 2022 – Lycos Energy Inc. ("Lycos") is pleased to announce the completion of the previously announced business combination (the "**Business Combination**") among Samoth Oilfield Inc. (predecessor to Lycos) ("**Samoth**") (TSXV: SCD), Chronos Resources Ltd. ("**Chronos**") and 2470638 Alberta Ltd. pursuant to the policies of the TSX Venture Exchange (the "**TSXV**") to form Lycos, an oil-focused, exploration, development and production company. The common shares of Lycos are expected to trade on the TSXV under the new name "Lycos Energy Inc." and the new stock symbol "LCX" as a Tier 1 oil and gas issuer at market open on Thursday, December 15, 2022, and the common shares of Samoth will be concurrently delisted.

Pursuant to the Business Combination, Lycos:

- (i) appointed a new management team led by Dave Burton as President and Chief Executive Officer, Lindsay Goos as Chief Financial Officer, Kyle Boon as Vice President, Jamie Conboy as Vice President, Exploration, Operations and Jeff Rideout as Vice President, Land. In addition, Sanjib (Sony) Gill, a partner in the Calgary office of the national law firm Stikeman Elliott LLP, will act as Corporate Secretary;
- (ii) appointed a new board of directors, comprised of Dave Burton, Kevin Olson, Ian Atkinson, Ali Horvath, Bruce Beynon, Don Cowie and Kel Johnston. Neil Roszell will serve as a Special Advisor to the Board;
- (iii) acquired all of the issued and outstanding common shares in the capital of Chronos (each, a "**Chronos Share**") in exchange for twenty (20) common shares in the capital of Samoth (each, a "**Samoth Share**") at a deemed price of \$0.035 per Samoth Share;
- (iv) underwent a name change (the "**Name Change**") from "Samoth Oilfield Inc." to "Lycos Energy Inc."; and
- (v) effected a share consolidation (the "**Consolidation**") on the basis of one (1) post-consolidation common share in the capital of Lycos (each, a "**Lycos Share**") for every eight (8) pre-consolidation Samoth Shares, representing an exchange ratio, on a post-Consolidation basis, of two and a half (2.5) Lycos Shares at a deemed price of C\$0.28 per Lycos Shares for every Chronos Share.

The TSXV has provided conditional approval for the Business Combination and listing of the Lycos Shares. The total number of Lycos Shares issued and outstanding at listing will be 318,147,806. The Business Combination did not result in a change of control (as defined in the policies of the TSXV) of Lycos as the new insiders of Lycos hold in aggregate less than 10% of the issued and outstanding Lycos Shares.

Chronos Financings

In conjunction with the Business Combination, Chronos completed its previously announced non-brokered private placement (the "**Subscription Receipt Private Placement**") of subscription receipts of Chronos (each, a "**Subscription Receipt**") for aggregate gross proceeds of \$53.0 million and its non-brokered private placement of units of Chronos (each, a "**Unit**") for additional aggregate gross proceeds of \$12.0 million (the "**Unit Private Placement**"), and together with the Subscription Receipt Private Placement, the "**Chronos Financings**").

The net proceeds from the Chronos Financings will be used to fund the business plan of Lycos and for working capital and general corporate purposes. Additional details in respect of the Transaction are disclosed in the joint press releases of Chronos and Samoth dated November 7, 2022. Advisors received aggregate compensation equal to \$2,570,000 in cash and 1,117,144 in Units, at a deemed issuance price of \$0.70 per Unit, with respect to the Business Combination and the Subscription Receipt Private Placement, as applicable.

The Subscription Receipt Private Placement

Chronos issued an aggregate of 75,714,285 Subscription Receipts at an offering price of \$0.70 per Subscription Receipt under the Subscription Receipt Private Placement. Pursuant to the terms of the subscription receipt agreement (the "**Subscription Receipt Agreement**") dated December 6, 2022, between Chronos and Odyssey Trust Company, in its capacity as subscription receipt agent, each Subscription Receipt was automatically exchanged for one Chronos Share immediately prior to the Business Combination being effected. Each Chronos Share issued pursuant to the Subscription Receipts was acquired by Samoth in exchange for twenty (20) Samoth Shares, and subject to the Consolidation, resulting in each holder of Subscription Receipts receiving two and a half (2.5) Lycos Shares for each Subscription Receipt held.

The Unit Private Placement

Contemporaneous with the closing of the Business Combination, an aggregate of 17,142,858 Units were issued pursuant to the Unit Private Placement at an offering price of \$0.70 per Unit. Each Unit was comprised of one Chronos Share and one Chronos Share purchase warrant (each, a "**Chronos Warrant**"). Each Chronos Share issued pursuant to the Units was acquired by Samoth in exchange for twenty (20) Samoth Shares, and following the completion of the Consolidation, resulted in each holder of Units receiving two and a half (2.5) Lycos Shares for each Unit held. Each Chronos Warrant was exchanged at the same ratio, resulting in holders of Units receiving two and a half (2.5) Lycos Share purchase warrants (each, a "**Lycos Warrant**") for each Unit held. Each whole Lycos Warrant entitles the holder thereof to purchase one (1) Lycos Share for a period of five (5) years following the date of issuance at an exercise price of \$0.28 per Lycos Warrant (the "**Exercise Price**") and shall vest and become exercisable as to one-third upon the 10-day weighted average trading price of the Lycos Share (the "**Market Price**") equaling or exceeding \$0.42, an additional one-third upon the Market Price equaling or exceeding \$0.49, and a final one-third upon the Market Price equaling or exceeding \$0.56.

No fractional securities were to be issued. Any fractional interest in Lycos Shares or Lycos Warrants that is less than 0.5 resulting from the Consolidation will be rounded down to the nearest whole number and any fractional interest in Lycos Shares or Lycos Warrants that is 0.5 or greater will be rounded up to the nearest whole number.

Additional Information for Samoth Shareholders

Registered holders of pre-Consolidation Samoth Shares will receive a letter of transmittal by mail, from the transfer agent of Lycos, Odyssey Trust Company, advising of the completion of the Consolidation, the Name Change and the Business Combination, and providing instructions to exchange share certificates or DRS statements representing pre-Consolidation Samoth Shares for their entitlement to Lycos Shares. Non-registered shareholders holding Samoth Shares through an intermediary (a securities broker, dealer, bank or financial institution) should be aware that the intermediary may have different procedures for processing the Consolidation and the Name Change than those that will be put in place for registered shareholders. If shareholders hold their Samoth Shares through intermediaries and have questions in this regard, they are encouraged to contact their intermediaries. For more information on the Consolidation and the Name Change, shareholders are encouraged to refer to the management information circular dated July 7, 2022, a copy of which is available on the Corporation's SEDAR profile.

About Lycos

Lycos 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.

In connection with the Business Combination, KPMG LLP is anticipated to be appointed as the auditors of Lycos.

NOTE REGARDING FORWARD-LOOKING INFORMATION

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: the use of proceeds from the Chronos Financings; estimated assumed liabilities associated with the Lycos assets; expected production and cash flow related to the Lycos assets; expected number of future drilling locations related to the Lycos assets; decline rates; 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 Lycos; 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 Lycos, including expectations and assumptions concerning the receipt of all approvals and satisfaction of all conditions to the completion of the Business Combination, Name Change and Consolidation, the securities markets and general business and economic conditions, 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 Lycos 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 Lycos 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 Lycos 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 Lycos believes that the expectations reflected in its forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because Lycos 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 Business Combination, 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 Lycos 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.

Additional Information

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