

Uriel Gas Holdings Corp. Announces Second Quarter 2023 Results and Provides Corporate Update

Calgary, Alberta, February 28, 2023 – **Uriel Gas Holdings Corp. (CSE:UGH)** ("**Uriel**" or the "**Company**"), a growth oriented junior oil and gas exploration and production company, is pleased to announce financial and operating results for the three and six months ended December 31, 2022. The associated Management's Discussion and Analysis ("MD&A") and unaudited condensed interim financial statements as at and for the three and six months ended June 30, 2022 can be found at www.sedar.com.

During the Company's second quarter of fiscal 2023, Uriel was focused on preparing for its go-public event which occurred on January 11, 2023, along with implementing its strategy to realize disciplined growth by focusing on the acquisition and exploitation of under-developed oil and gas pools, principally in the Western Canadian Sedimentary Basin, while maintaining financial flexibility and long-term sustainability. This is accomplished by incorporating resource assessment methodology to determine the remaining potential of legacy pools. Uriel's first acquisition, the Richdale Property, was acquired on July 14, 2022, and is complemented by a second acquisition in the greater Grande Prairie area that closed subsequent to the end of the quarter. As a result, development at Richdale underpins the Company's results for the periods presented.

QUARTERLY OVERVIEW

	Three months ended		
	Dec 31, 2022	Sep 30, 2022	% Change
FINANCIAL			
Petroleum and natural gas sales	402,962	288,698	40%
Adjusted funds flow from operations ⁽¹⁾	(226,156)	(117,847)	92%
\$ per share - basic	(0.00)	(0.00)	-
\$ per boe	(57.54)	(41.60)	38%
Net loss	(275,624)	(350,261)	(21%)
\$ per share - basic	(0.00)	(0.01)	(24%)
Capital expenditures			
P&E	4,963	364	1263%
Acquisitions	-	1,947,565	(100%)
Decommissioning obligations settled	-	-	
Total assets	4,486,233	4,820,578	(7%)
Net surplus	715,252	2,221,102	(68%)
OPERATING			
Production			
Oil (bbl/d)	42.7	30.8	39%
Average realized prices			
Oil (\$/bbl)	102.53	101.91	1%
Netback (\$/boe)			
Petroleum and natural gas sales	102.53	101.91	1%
Royalties	(24.20)	(21.65)	12%
Operating, workover and transportation expenses	(92.59)	(56.31)	64%
Operating netback	(14.25)	23.95	(160%)
Interest income	1.28	-	
G&A	(44.57)	(65.55)	(32%)
Adjusted funds flow netback ⁽¹⁾	(57.54)	(40.32)	43%

(1) Adjusted funds flow from operations, net surplus, operating netback and adjusted funds flow netback are non-GAAP measures and are reconciled to the nearest GAAP measures under the heading "Non-GAAP financial measures" in this MD&A.

On December 22, 2022, the Company became a reporting issuer with the filing of its Final Prospectus, which led to Uriel's common shares being listed for trading on the Canadian Securities Exchange ("CSE") subsequent to the end of the quarter on January 11, 2023.

Highlights for the three-month period ended December 31, 2022 include the following:

- 39% increase in oil production from the Richdale Property, averaging 43 bbls/d versus 31 bbls/d in Q1/23, and currently producing approximately 55 bbls/d;
- 40% increase in petroleum and natural gas sales, which totaled \$402,962;
- reduced net loss quarter-over-quarter to \$275,480 compared to \$350,261 in Q1/23; and
- recorded a net surplus of \$715,252 at the end of the period.

Operating activities during the period included production enhancements due to five well workovers / repairs that directly contributed to the quarterly volume increases, along with one-time start-up activities, including the turnaround of the Richdale oil battery in October, the implementation of Uriel's Emergency Response Plan ("ERP") across the field, and numerous compliance and regulatory matters.

Uriel's ability to grow volumes and produce into a strong oil price environment bolstered the Company's revenue and reduced the net loss compared to the previous quarter. However, as a result of higher well workover / repair activity during the quarter which boosted production, Uriel recorded high operating, workover and transportation expenses per boe, which resulted in the Company recording negative operating netbacks in the period. These high operating expenses are expected to decline as activity shifts to more capital expenditures rather than operating costs.

Uriel also recorded a multitude of one-time general & administrative start-up costs in the period, reflecting costs associated with filing of a Preliminary and Final Prospectus in September and December, respectively, along with preparations for listing on the CSE.

RICHDALE OPERATIONAL UPDATE

The Richdale Property consists of seven active deviated oil wells producing from the Banff Formation, a water injection well, four suspended wells, two historical reclaimed wells and associated gathering infrastructure. An independent qualified reserves evaluator estimates that the Richdale Property contains approximately 18 million barrels of oil initially-in-place as at September 1, 2022. Although the Richdale Property has not seen any significant capital or attention deployed since its initial drilling phase several years ago, the Property offers a number of low-cost workovers on existing wells and several undeveloped locations for new deviated vertical wells. The Company believes undertaking these activities could significantly increase production and the Property's ultimate recovery factor. In addition, since the pool features significant net oil pay and has only utilized vertical well exploitation, it also represents an ideal candidate for horizontal, multi-staged frack development. Horizontal development would be expected to increase the total stimulated rock volume and facilitate drainage of porous intervals that have not been previously accessed.

The relatively shallow depth of the targeted Banff Formation is expected to result in lower costs and attractive economics, which supports future development plans that include workovers on three existing wells, with two already underway, and drilling four vertically deviated wells targeting the Banff Formation. Solution gas is not conserved at the Richdale Property due to the suspension of a proximal plant, which represents further potential revenue should gas processing become available.

Subsequent to the end of the quarter, Uriel purchased three high-quality 2D seismic lines in February 2023 to assist in characterizing the southern portion of the Richdale Property. Several potential well



workover/stimulations remain in inventory and numerous potential vertical and horizontal locations have been identified, including low-risk vertically-deviated locations pending the ongoing seismic evaluation. As part of its strategy, Uriel will continue seeking accretive opportunities to grow its conventional asset base.

About Uriel Gas

Uriel is a growth-oriented oil and gas company focused on exploration, development and production of crude oil and natural gas assets in the Western Canadian Sedimentary Basin. With a 100% operated working interest in the Richdale Property, which covers approximately 5,867 acres and is located approximately 100 miles northeast of Calgary, Alberta, Uriel seeks to acquire and optimize recoveries from under-developed hydrocarbon pools that offer compelling economics. Uriel is committed to providing superior long-term financial returns for shareholders while operating in a manner that protects the safety of workers, communities, and the environment. Uriel's common shares are listed for trading on the CSE under ticker "UGH".

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Forward-Looking Information

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Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information 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. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given 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. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

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