



## CYGNET ENERGY LTD. AND KIWETINOHK ENERGY CORP. ANNOUNCE COMPLETION OF ARRANGEMENT

CALGARY, ALBERTA, December 18, 2025 – Cygnets Energy Ltd. ("**Cygnets**") and Kiwetinothk Energy Corp. ("**Kiwetinothk**") (TSX: KEC) are pleased to announce the completion of the acquisition of Kiwetinothk by Cygnets. As previously announced, all outstanding common shares of Kiwetinothk (the "**KEC Shares**") were acquired by Cygnets pursuant to a plan of arrangement under Section 192 of the *Canada Business Corporations Act* (the "**Arrangement**") for \$24.75 per KEC Share. As part of the Arrangement, certain investment funds advised by ARC Financial Corp. (collectively, the "**Rollover Shareholders**") sold a portion of their KEC Shares in exchange for Cygnets common shares, all in accordance with the terms of a rollover agreement entered into with the Rollover Shareholders in connection with the Arrangement.

The KEC Shares are expected to be delisted from the Toronto Stock Exchange at the close of business on December 19, 2025. Kiwetinothk also intends to apply to cease to be a reporting issuer in all provinces of Canada in which it is currently a reporting issuer.

As a result of the Arrangement, Cygnets now operates more than 44,000 boe/d of liquids-weighted Duvernay and Montney production, concentrated in the contiguous Simonette and Placid areas. The combined company will benefit from infrastructure control, long-term egress (including 120 MMcf/d of Alliance service), and a deep inventory of drilling locations. The completion of the Arrangement establishes Cygnets as a leading operator of central-Alberta Duvernay and Montney assets, building on its management's demonstrated track record of developing strong, profitable upstream businesses in Western Canada.

### About Cygnets Energy Ltd.

Cygnets Energy Ltd. is a private exploration and production company pursuing resource opportunities, with scale in the Western Canadian Sedimentary Basin.

### FOR FURTHER INFORMATION, PLEASE CONTACT:

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### Forward-Looking Information and Statements

This press release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws including, but not limited to, the anticipated timing of delisting the KEC Shares from the Toronto Stock Exchange and the anticipated benefits of the Arrangement and attributes of the new combined company, including in respect of production, synergies, infrastructure control, long-term egress, long-term resource potential and drilling inventory. Although the expectations and assumptions on which such forward-looking information is based are believed to be reasonable, undue reliance should not be placed on the forward-looking information because no assurance can be given that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. Forward-looking information is provided as of the date of this press release and Kiwetinothk disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

### Oil and Gas Information

The term "Boe" means a barrel of oil equivalent on the basis of 6 thousand cubic feet ("Mcf ") of natural gas to 1 barrel of oil ("bbl"). Boe's may be misleading, particularly if used in isolation. A boe conversation ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion ratio at 6:1 may be misleading as an indication of value.