

Cygnet Energy Enters into Agreement to Acquire Kiwetinohk Energy Corp.

- *Transaction to create a scaled player in the Montney and Duvernay formations with deep inventory and differentiated market access*
 - *Offer price represents C\$24.75 per share in cash*

October 28, 2025

Cygnet Energy Ltd. ("**Cygnet**" or the "**Company**"), a private exploration and production company, is pleased to announce that it has entered into a definitive arrangement agreement (the "**Arrangement Agreement**") with Kiwetinohk Energy Corp. ("**KEC**") to acquire all of the issued and outstanding common shares of KEC (the "**KEC Shares**") for C\$24.75 per KEC share in cash (the "**Acquisition**"), which equates to a total Acquisition consideration of approximately C\$1.4 billion, inclusive of equity and net debt to be assumed. The Acquisition brings together two complementary asset bases, creating a combined company with greater scale, enhanced operational synergies, and significant long-term resource potential. The Acquisition is to be completed by way of a plan of arrangement under the *Canada Business Corporations Act* and is expected to close in late December 2025.

Funding for the Cash Consideration to be Provided by NGP and Carlyle

Funding for the Acquisition is being provided primarily by the respective investment funds of existing Cygnet shareholder NGP Energy Capital Management, LLC ("**NGP**") and global investment firm Carlyle (NASDAQ: CG), who will join as a new investment partner in Cygnet. In addition, ARC Financial Corp. ("**ARC Financial**"), an existing investor of Cygnet and shareholder of KEC, has agreed to roll over a portion of its KEC shares into common shares of Cygnet as part of the Acquisition on equivalent economic terms.

Support Agreements for the Acquisition Executed with ARC Financial

Support for the Acquisition has been secured from certain KEC shareholders, including ARC Financial, along with the directors and officers of KEC (collectively, the "**Supporting KEC Shareholders**"). Collectively, these shareholders hold approximately 79% of the issued and outstanding KEC Shares, including 38% of the minority KEC Shares entitled to vote on the majority of minority shareholder approval required for the Acquisition under applicable securities laws, on a non-diluted basis and have agreed to vote their KEC Shares in favor of the Acquisition at a special meeting of KEC shareholders (the "**KEC Meeting**"). The KEC Meeting is expected to be held in December 2025.

Conditions for the Completion of the Acquisition

The Acquisition is subject to the receipt of court and regulatory approvals, including under the *Competition Act* (Canada), the receipt of required KEC shareholder approvals and the satisfaction of customary closing conditions.

Transformative Increase in the Cygnet Duvernay and Montney Business

Upon closing of the Acquisition, Cygnet will operate more than 44,000 boe/d of liquids-weighted Duvernay and Montney production, concentrated in the contiguous Simonette and Placid areas, and benefit from infrastructure control, long term egress (including 120 MMcf/d of Alliance service), and a deep inventory of drilling locations. The Acquisition establishes Cygnet as a leading operator of central-Alberta Duvernay and Montney assets, building on its demonstrated track record of developing strong, profitable upstream businesses in Western Canada.

"We are pleased to announce this transaction and present this offer to KEC's shareholders," said David Maddison, President & CEO of Cygnet. "We have long respected KEC's high-quality portfolio and strong operating performance, and believe that the combination of our businesses is a positive step for both parties. Upon completion of the Acquisition, Cygnet will have a larger, more resilient platform with extensive inventory that is expected to drive our growth in the years ahead. We appreciate the ongoing support of our long-standing partners NGP and ARC Financial, and look forward to working with Carlyle as we move forward. This transaction is a positive outcome for all stakeholders, including KEC shareholders, employees, and the communities in which we operate."

Advisors and New Cygnet Syndicated Credit Facility

Burnet, Duckworth & Palmer LLP acted as legal counsel to Cygnet for the Acquisition and Norton Rose Fulbright Canada LLP acted as legal counsel to Cygnet for the related debt and equity financings. TPH&Co., the Energy Business of Perella Weinberg Partners, acted as exclusive financial advisor to Cygnet on the Acquisition. BMO Capital Markets acted as financial advisor to Carlyle. Carlyle acted as advisor to Cygnet on the debt financing arrangements for the Acquisition. Cygnet has received underwritten commitments for the required debt financing from National Bank Capital Markets, RBC Capital Markets, and ATB Capital Markets acting as Joint Bookrunners and Co-Lead Arrangers.

About NGP

NGP is a premier private equity firm that believes energy is essential to progress. Founded in 1988, NGP is moving energy forward by investing in innovation and empowering energy entrepreneurs in natural resources and the energy transition. With \$25 billion in cumulative equity commitments, NGP backs portfolio companies focused on responsibly solving and securing the energy needs of today and leading the way to a cleaner, more reliable, and more affordable energy future.

For more information, visit www.ngpenergy.com.

About Carlyle

Carlyle (NASDAQ: CG) is a global investment firm with deep industry expertise that deploys private capital across three business segments: Global Private Equity, Global Credit and Carlyle Alpinvest. With \$465 billion of assets under management as of June 30, 2025, Carlyle's purpose is to invest wisely and create

value for its investors, portfolio companies and the communities in which it invests. Carlyle employs more than 2,300 people across 27 offices on four continents. Further information is available at www.carlyle.com. Follow Carlyle on X @OneCarlyle and LinkedIn at The Carlyle Group.

For more information, visit www.carlyle.com

About ARC Financial

ARC Financial is Canada's largest energy-focused private equity manager. Founded in 1989, ARC Financial is committed to building high-performing businesses that address the world's energy and sustainability needs. ARC Financial provides growth capital to companies across the energy spectrum with high quality management teams. To date, ARC Financial has raised over \$6.4 billion across eleven energy focused private equity funds and invested in more than 180 companies.

For more information, visit www.arcfinancial.com.

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READER ADVISORY

Forward Looking Statements

Certain information contained herein may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities legislation that involve known and unknown risks, assumptions, uncertainties and other factors. Undue reliance should not be placed on any forward-looking statements. Forward-looking statements may be identified by words like "anticipates", "estimates", "expects", "indicates", "forecast", "intends", "may", "believes", "could", "should", "would", "plans", "proposed", "potential", "will", "target", "approximate", "continue", "might", "possible", "predicts", "projects" and similar expressions, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this press release include but are not limited to: the terms of the Acquisition and the expected timing of closing; the debt and equity funding for the Acquisition; the consideration expected to be received by KEC shareholders, including ARC Financial, pursuant to the Acquisition; the expected timing of the KEC Meeting; and the anticipated benefits of the Acquisition 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.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent known and unknown risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of assumptions, risks and uncertainties including, without limitation: completion of the Acquisition on the anticipated terms and timing, or at all, including obtaining the requisite regulatory and shareholder approvals and the satisfaction of the conditions to closing the Acquisition; the existence of any laws or material changes thereto that may adversely affect Cygnnet or KEC or impact the completion of the Acquisition; potential adverse changes to business prospects and opportunities resulting from the announcement or completion of the Acquisition; and general business, market and economic conditions.

These forward-looking statements and information are based on certain key expectations and assumptions made by Cygnnet. Completion of the Acquisition is subject to a number of conditions which are typical for transactions of this nature. Assumptions have been made with respect to the satisfaction of all conditions precedent under the Arrangement Agreement. Although Cygnnet believes that the expectations and assumptions on which such forward-looking

statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Cygnet cannot give any assurance that they will prove to be correct. Accordingly, readers are cautioned that the actual results achieved may vary from the forward-looking information provided herein and that the variations may be material. Readers are also cautioned that the foregoing list of assumptions, risks and factors is not exhaustive.

The forward-looking statements included in this press release are expressly qualified in their entirety by the foregoing cautionary statements. Forward-looking statements included in this press release are made as of the date of this press release and Cygnet assumes no obligation to update or revise any forward-looking information to reflect new events or circumstances, except as required by law.

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.