



**Calgary, Alberta / July 22<sup>nd</sup>, 2021 / Certus Oil and Gas Inc. (“Certus” or the “Company“)** is pleased to announce the corporate acquisition of Sitka Exploration Ltd (**“Sitka”**), effective July 16<sup>th</sup>, 2021.

The acquisition adds 5,000 boe/d to the Company’s existing production base, and a 2021 annualized cashflow from operations of ~\$28 MM. The acquired assets surround Certus’ existing core asset base in central Alberta and include working interest in over 197 producing wells. Sitka has an LMR rating of 3.9X. Post-acquisition, the combined entity produces 10,000 boe/d (50% oil and liquids/50% gas), with an annualized cashflow from operations of \$64 MM (excluding cashflow from planned development drilling), and a combined LMR of 2X.

Certus is currently updating its reserves evaluation to include the accretive effects of the acquisition. Based on a combination of 2020 year-end independent reserves evaluations, the acquisition results in the combined entity having Total Proved reserves of 40,034 mboe, and Total Proved plus Probable reserves of 68,805 mboe. The combined Net present value, discounted at 10%, of Proved Producing reserves was \$140 MM, with Total Proved plus Probable of \$363 MM. It is anticipated that the updated independent reserves evaluation will result in increased valuations due to improved commodity prices and reductions in operating costs due to synergies from the corporate combination.

Cormark Securities Inc. acted as a financial advisor to Certus, and Anvil Channel Energy Solutions provided capital to support the acquisition.

“This business combination is perfectly consistent with our strategy to consolidate and improve production from liquids-rich conventional plays in central Alberta. It significantly improves our cashflow, gives us access to a proven and attractive development drilling program, and leaves us with very manageable debt and asset retirement obligations. We are excited to have successfully executed this transformative transaction with support from the Anvil team; the creative capital solution structured by Anvil came at a critical time in our company’s growth cycle.” – Rob Brady President and CEO of Certus.

### **About Certus Oil and Gas Inc.**

Certus is a privately owned company that has been operating in central Alberta since 2017.

### **About Anvil Channel**

Anvil Channel Energy Solutions is a private direct lender focused on the upstream energy space. With offices in New York and Houston the company invests within tightly bound perimeters of value oriented oil and gas opportunities backed by several blue-chip institutional investors. More information is available on its website: <http://www.anvilcp.com>