

LOTUS CREEK EXPLORATION INC. ANNOUNCES THIRD QUARTER 2025 OPERATING RESULTS AND OPERATIONAL UPDATE

CALGARY, ALBERTA (November 6, 2025) Lotus Creek Exploration Inc. ("Lotus Creek" or the "Company") (TSXV:LTC) is pleased to provide the following third quarter operating results and operational update to shareholders. Lotus Creek's Interim Consolidated Financial Statements and related Management's Discussion and Analysis ("MD&A") for the period ended September 30, 2025 are available for review on Lotus Creek's website at www.lotuscreek.ca and on Lotus Creek's SEDAR+ profile at www.sedarplus.ca.

QUARTERLY HIGHLIGHTS

- During the third quarter of 2025, the Company drilled and completed 2.0 gross (2.0 net) light oil Belly River wells in Wilson Creek. Combined, the wells have averaged over 1,700 boe per day of estimated production for October 2025 (comprised of 83 per cent light oil and NGLs). In the emerging Belly River light oil play, these wells are two of the highest monthly production rates and two of the fastest drill time from spud to rig release averaging less than nine days.
- Production for the third quarter of 2025 was 1,425 boe per day comprised of 874 bbl per day of light oil, 201 bbl per day of NGLs and 2,100 mcf per day of natural gas. The Company's estimated production increased to over 2,900 boe per day for October 2025 (comprised of 81 per cent oil and NGLs).
- Consistent with previous shareholder communications, the addition of these new volumes has successfully doubled the Company's production base and reinforces the Company's fourth quarter average production guidance between 3,000 and 3,400 boe per day.
- Lotus Creek invested a total of \$18.8 million of capital during the third quarter, which included the successful drilling activity in Wilson Creek, and the completion of a new 5,000 boe per day oil battery and gathering system. The Wilson Creek battery establishes certainty of oil egress to deliver profitable organic growth beyond 2025.
- As at September 30, 2025, the Company had a net debt of \$6.5 million and a net debt to quarterly funds from operations of 0.8 times. Subsequent to period end, the Company amended its credit facilities with ATB Financial with an increase in the borrowing base to \$40.0 million. The Company is expected to have ample liquidity through its credit facilities.
- Adjusted funds from operations ("Adjusted FFO") for the third quarter of 2025 were \$1.9 million as compared to \$2.0 million for the second quarter of 2025. See "Non-GAAP and Other Financial Measures" in this press release.

OPERATIONAL UPDATE

- In October 2025, Lotus Creek successfully completed its inaugural Belly River drilling program in Wilson Creek. To date, the Company drilled 4.0 gross (4.0 net) light oil Belly River wells.
- The Company has brought on-stream 2.0 gross (2.0 net) light oil Belly River wells in Wilson Creek and is progressing towards the completion and on-stream stage of its last 2.0 gross (2.0 net) light oil Belly River wells. The Company anticipates production from these last two wells in the month of December.
- During the third quarter of 2025, the Company received approval from the Alberta Energy Regulator for the Tucker Lake facility license. The 3.0 gross (3.0 net) wells were on-stream in the middle of October and the Company anticipates sales in the month of November.

2025 REVISED FISCAL GUIDANCE

Lotus Creek has reached an exciting and important part of its inaugural year as a new company. In October, the Company successfully completed its planned development in its two key focus areas, Wilson Creek in Central Alberta and Tucker Lake in Northern Alberta. Although the Company's 2025 annual average production and Q4 average production guidance have not changed, the Company has made changes to the previously disclosed guidance relating to expected commodity weighting associated with such production guidance and the various financial metrics as presented below as a result of the delay in bringing production on-stream at Tucker Lake.

Table 1

	2025 Previous Fiscal Guidance	2025 Revised Fiscal Guidance	Q3 2025 YTD Actuals
Annual production (boe/d)	2,000 – 2,400	2,000 – 2,400	1,550
Q4 average production (boe/d)	3,000 – 3,400	3,000 – 3,400	NA
Light oil and NGLs weighting (%)	77	75	75
Heavy oil weighting (%)	10	3	-
Natural gas weighting (%)	13	22	25
Royalty rate (%)	12 – 13	12 – 13	14
Operating and transportation costs (\$/boe)	19.50 – 20.50	21.50 – 22.00	25.31
General and administrative expense (\$/boe)	5.00 – 5.50	6.50 – 7.00	9.18
Interest income and interest and financing charges (\$/boe)	0.50 – 1.00	0.50 – 1.00	0.59
Capital and abandonment expenditures (\$ millions) ⁽¹⁾	43.0	43.0	31.9

(1) Capital and abandonment expenditures include decommissioning liability expenditures made by Lotus Creek.

The following table summarizes selected highlights for the three and nine months ended September 30, 2025:

(Cdn\$ thousands, except per share, share and per boe amounts)	Three months ended Sep 30, 2025	For the period from date of incorporation Aug 21, 2024 to Sep 30, 2024	Three months ended Jun 30, 2025	Nine months ended Sep 30, 2025 ⁽²⁾	For the period from date of incorporation Aug 21, 2024 to Sep 30, 2024
FINANCIAL					
Adjusted funds from operations ⁽¹⁾	1,947	(3)	2,049	5,615	(3)
Per weighted average basic share ⁽⁵⁾	0.05	-	0.05	0.16	-
Cash flows from operating activities	6,662	-	1,069	7,288	-
Per weighted average basic share ⁽⁵⁾	0.17	-	0.03	0.21	-
Net loss	(281)	(3)	(115)	(885)	(3)
Per weighted average basic share ⁽⁵⁾	(0.01)	-	-	(0.03)	-
Net (debt) surplus ⁽¹⁾	(6,519)	(105)	10,478	(6,519)	(105)
Weighted average shares, basic (thousands) ⁽⁴⁾	40,000	-	40,000	34,872	-
Shares outstanding, end of period (thousands) ⁽⁴⁾	40,000	-	40,000	40,000	-
CAPITAL					
Exploration and evaluation expenditures	1,662	-	1,320	12,274	-
Property, plant and equipment expenditures	16,898	-	2,082	19,274	-
Decommissioning liabilities settled	261	-	70	331	-
Total capital and abandonment expenditures	18,821	-	3,472	31,879	-
Net acquisitions ⁽³⁾	-	-	196	58,631	-
OPERATING					
Production					
Light oil (bbl/d)	874	-	970	927	-
Natural gas liquids (bbl/d)	201	-	243	229	-
Natural gas (mcf/d)	2,100	-	2,481	2,363	-
Total (boe/d)	1,425	-	1,627	1,550	-
Average realized prices					
Light oil (\$/bbl)	84.65	-	82.58	85.04	-
Natural gas liquids (\$/bbl)	39.18	-	30.92	36.85	-
Natural gas (\$/mcf)	0.54	-	1.64	1.41	-
Netback and selected financial results (\$/boe)					
Petroleum and natural gas sales	58.25	-	56.38	58.48	-
Royalties	(8.26)	-	(7.77)	(8.26)	-
Operating expenses	(23.34)	-	(23.15)	(23.41)	-
Transportation expenses	(2.17)	-	(1.68)	(1.90)	-
Operating netback ⁽¹⁾	24.48	-	23.78	24.91	-
Realized risk management gain	0.24	-	-	0.08	-
General and administrative	(8.82)	-	(9.47)	(9.18)	-
Interest income	0.40	-	0.54	0.55	-
Interest and financing charges	(1.45)	-	(1.01)	(1.14)	-
Adjusted funds from operations ⁽¹⁾	14.85	-	13.84	15.22	-
Cash flows from operating activities	50.82	-	7.22	19.76	-

(1) Adjusted funds from operations, net (debt) surplus and operating netback do not have any standardized meanings under Canadian generally accepted accounting principles ("GAAP") and therefore may not be comparable to similar measures presented by other entities. For additional information related to these measures, including a reconciliation to the nearest GAAP measures, where applicable, see "Non-GAAP and Other Financial Measures".

(2) The commercial operations of Lotus Creek for the nine months period ended September 30, 2025 are between February 5, 2025 and September 30, 2025.

(3) Net of decommissioning liabilities on date of acquisition.

(4) As at September 30, 2024 and for the period from date of incorporation, August 21, 2024 to September 30, 2024, one Common Share was outstanding.

(5) For the period from date of incorporation, August 21, 2024 to September 30, 2024, per weighted average basic share measures are not relevant financial measures as one Common Share was outstanding.

ABOUT LOTUS CREEK

Lotus Creek is a Canadian exploration and production company with oil production in Central Alberta and Southeast Saskatchewan and exploration assets in Tucker Lake and Central Alberta. On February 5, 2025, Lotus Creek, Gear Energy Ltd. and a third-party closed the previously announced transformative plan of arrangement and the Company commenced commercial operations on close of the plan of arrangement.

Our objective is to be the fastest growing, fully funded, public junior oil and gas company in Canada. We will measure shareholder value creation by profitable growth in earnings, cashflow, production and producing reserves per debt adjusted share.

Key Attributes

- ✓ High-quality, light sweet oil production base with long life reserves
- ✓ Material upside in Wilson Creek and Tucker Lake assets with strong economics and capital efficiencies
- ✓ Multiple stacked oil reservoir zones, with open hole, multi-lateral and multi-stage fractured horizontal locations
- ✓ Well capitalized business model positioned to substantially grow in the coming years

Forward-looking Information and Statements

This press release contains certain forward-looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "strategy" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this press release contains forward-looking information and statements pertaining to the following: Lotus Creek's 2025 guidance, including with respect to annual 2025 average production, Q4 2025 average production, commodity weighting of forecast production, royalty rates, operating and transportation costs, G&A expenses, interest and financing charges and capital and abandonment expenditures; the expectation that the Wilson Creek battery establishes certainty of oil egress to deliver profitable organic growth beyond 2025; the Company's expectation of having access to ample liquidity through its credit facilities; the Company's expectation of timing of the completion and onstream stage of its last 2.0 gross (2.0 net) light oil Belly River wells and that the resultant production additions will occur in the month of November; the Company's expectation of having access to ample liquidity through its credit facilities; the expectation of having sales volumes from the Company's Tucker Lake wells in 2025; Lotus Creek's operational strategy, plans, priorities and focus; Lotus Creek's objective to be the fastest growing, fully funded, public junior oil and gas company in Canada; and that the Company will measure shareholder value creation by profitable growth in cashflow, production and producing reserves per debt adjusted share.

The forward-looking information and statements contained in this press release reflect several material factors and expectations and assumptions of Lotus Creek including, without limitation: that Lotus Creek will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the duration and impact of tariffs that are currently in effect on goods exported from or imported into Canada, and that other than the tariffs that are currently in effect, neither the U.S. nor Canada (i) increases the rate or scope of such tariffs, reenacts tariffs that are currently suspended, or imposes new tariffs, on the import of goods from one country to the other, including on oil and natural gas, and/or (ii) imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas; the ability of the Company to receive all necessary regulatory approvals without significant adverse conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the accuracy of the estimates of Lotus Creek's reserves and resource volumes; certain commodity price and other cost assumptions; and the continued availability of adequate debt and equity financing and funds from operations to fund its planned expenditures. Lotus Creek believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove to be correct.

To the extent that any forward-looking information contained herein may be considered a financial outlook, such information has been included to provide readers with an understanding of management's assumptions used for budgeting and developing future plans and readers are cautioned that the information may not be appropriate for other purposes. The forward-looking information and statements included in this press release are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: the risk that (i) the U.S. and/or Canadian governments implement, maintain or increase the rate or scope of new tariffs, (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas, and (iii) the tariffs imposed by the U.S. on other countries and responses thereto could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Company; the failure to receive any regulatory approvals required for the Company's operations as contemplated; the imposition of the impact of the Russian-Ukraine war and the conflicts in the Middle East on the global economy and commodity prices; the impacts of inflation and supply chain issues; pandemics, political events, natural disasters and terrorism; changes in commodity prices; the impact of actions taken by OPEC+ on global supply and demand of oil and gas; changes in the demand for or supply of Lotus Creek's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Lotus Creek or by third party operators of Lotus Creek's properties, increased debt levels or debt service requirements; inability to obtain debt or equity financing as necessary to fund operations, capital expenditures and any potential acquisitions; any inability for Lotus Creek to repay any of its indebtedness when due; inaccurate estimation of Lotus Creek's oil and gas reserve and resource volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time to time in Lotus Creek's public documents including risk factors set out in Lotus Creek's Listing Application dated February 5, 2025 on TSX Venture Exchange Form 2B, which is available on SEDAR+ at www.sedarplus.ca.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Lotus Creek's prospective results of operations including, without limitation, production, operating and transportation costs, G&A expenses, interest and financing charges, and capital and abandonment expenditures, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth above. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. Lotus Creek's actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits Lotus Creek will derive therefrom. Lotus Creek has included the FOFI in order to provide readers with a more complete perspective on Lotus Creek's future operations and such information may not be appropriate for other purposes.

The forward-looking information and statements and FOFI contained in this press release speak only as of the date of this press release, and Lotus Creek does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Non-GAAP and Other Financial Measures

This press release includes references to non-GAAP and other financial measures that Lotus Creek uses to analyze financial performance. These specified financial measures include non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures, and are not defined by International Financial Reporting Standards ("IFRS") Accounting Standards and are therefore referred to as non-GAAP and other financial measures. Management believes that the non-GAAP and other financial measures used by the Company are key performance measures for Lotus Creek and provide investors with information that is commonly used by other oil and gas companies. These key performance indicators and benchmarks as presented do not have any standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable with the calculation of similar measures for other entities. These non-GAAP and other financial measures should not be considered an alternative to or more meaningful than their most directly

comparable financial measure presented in the financial statements, as an indication of the Company's performance. Descriptions of the non-GAAP and other financial measures used by the Company as well as reconciliations to the most directly comparable GAAP measure for the three and nine months ended September 30, 2025 and the period from incorporation on August 21, 2024 to December 31, 2024, where applicable, are provided below.

Adjusted Funds from Operations

Adjusted funds from operations is a non-GAAP financial measure defined as cash flows from (used in) operating activities before changes in non-cash operating working capital and decommissioning liabilities settled and adding back transaction costs, if any. Transaction costs, which primarily include legal fees and other related acquisition costs, are excluded to provide a measure representing cash flows generated by the Company's routine business operations. Lotus Creek evaluates its financial performance primarily on adjusted funds from operations and considers it a key measure for management and investors as it demonstrates the Company's ability to generate the adjusted funds from operations necessary to fund its capital program, settle decommissioning liabilities and repay debt.

Reconciliation of cash flows from (used in) operating activities to adjusted funds from operations:

(\$ thousands)	Three months ended Sep 30, 2025	For the period from date of incorporation, Aug 21, 2024 to Sep 30, 2024	Three months ended Jun 30, 2025	Nine months ended Sep 30, 2025	For the period from date of incorporation, Aug 21, 2024 to Sep 30, 2024
Cash flows from operating activities	6,662	-	1,069	7,288	-
Decommissioning liabilities settled	261	-	70	331	-
Change in non-cash operating working capital	(5,099)	112	815	(2,869)	112
Due to related party	-	(115)	-	-	(115)
Add back: transaction costs	123	-	95	865	-
Adjusted funds from operations	1,947	(3)	2,049	5,615	(3)

Adjusted Funds from Operations per BOE

Adjusted funds from operations per boe is a non-GAAP ratio calculated as adjusted funds from operations, as defined and reconciled to cash flows from (used in) operating activities above, divided by sales production for the period. Lotus Creek considers this a useful non-GAAP ratio for management and investors as it evaluates financial performance on a per boe level, which enables better comparison to other oil and gas companies in demonstrating its ability to generate the adjusted funds from operations necessary to fund its capital program, settle decommissioning liabilities and repay debt.

Adjusted Funds from Operations per Weighted Average Basic Share

Adjusted funds from operations per weighted average basic share is a non-GAAP ratio calculated as adjusted funds from operations, as defined and reconciled to cash flows from (used in) operating activities above, divided by the weighted average basic share amount. Lotus Creek considers this non-GAAP ratio a useful measure for management and investors as it demonstrates its ability to generate the adjusted funds from operations, on a per weighted average basic share basis, necessary to fund its capital program, settle decommissioning liabilities and repay debt.

Net (Debt) Surplus

Net (debt) surplus is a capital management measure defined as debt less current working capital items (excluding debt, risk management contracts, and decommissioning liabilities). Lotus Creek believes net (debt) surplus provides management and investors with a measure that is a key indicator of its leverage and strength of its balance sheet. Changes in net (debt) surplus are primarily a result of adjusted funds from operations, capital and abandonment expenditures and equity issuances.

Reconciliation of debt to net (debt) surplus:

Capital structure and liquidity (\$ thousands)	Sep 30, 2025	Dec 31, 2024
Debt	-	-
Working capital deficit ⁽¹⁾	(6,519)	(759)
Net debt	(6,519)	(759)

(1) Current assets less current liabilities, excluding risk management contracts and decommissioning liabilities.

Net Debt to Quarterly Annualized Adjusted Funds from Operations

Net debt to quarterly annualized adjusted funds from operations is a non-GAAP ratio and is defined as net debt, as defined and reconciled to debt above, divided by the annualized adjusted funds from operations, as defined and reconciled to cash flows from operating activities above, for the most recently completed quarter. Lotus Creek uses net debt to quarterly annualized adjusted funds from operations to analyze financial and operating performance. Lotus Creek considers this a key measure for management and investors as it demonstrates the Company's ability to pay off its debt and take on new debt, if necessary, using the most recent quarter's results. When the Company is in a net surplus position, the Company's net debt to annualized adjusted funds from operations is not applicable.

Operating Netback

Operating netbacks are non-GAAP ratios calculated based on the amount of revenues received on a per unit of production basis after royalties and operating costs. Management considers operating netback to be a key measure of operating performance and profitability on a per unit basis of production. Management believes that operating netback provides investors with information that is commonly used by other oil and gas companies. The measurement on a per boe basis assists management and investors with evaluating operating performance on a comparable basis.

Per BOE Figures

This press release represents various results on a per boe basis, including adjusted funds from operations, cash flows (used in) from operating activities, petroleum and natural gas sales, royalties, operating costs, transportation costs, general and administrative, interest income and interest and financing charges. These supplementary financial measures are determined by dividing the applicable financial figure as prescribed under IFRS by the Company's total sales volumes for the respective period.

Barrels of Oil Equivalent

Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six Mcf to one 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. Additionally, given that 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 of 6:1 may be misleading as an indication of value.

Initial Production Rates

References in this press release to initial production ("IP") rates, other short-term production rates or initial performance measures relating to new wells are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Accordingly, the Company cautions that such short-term rates should be considered to be preliminary.

Oil & Gas Matters

References to heavy oil, light and medium oil, natural gas liquids and natural gas in this press release refer to the heavy crude oil, light crude oil and medium crude oil, natural gas liquids and conventional natural gas, respectively, product types as defined in National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*.

FOR FURTHER INFORMATION PLEASE CONTACT:

Kevin Johnson
President & CEO
403-538-8463

Mitchell Harris
Vice President, Finance & CFO
403-444-1465

Email: info@lotuscreek.ca
Website: www.lotuscreek.ca