



Criterion Energy Announces Successful Re-Entry and Test of SEM-01 and Releases Q2 Financial Results

- **Successful extended well test of SEM-01 with rates of 7-8 mmcf/d¹**
- **Project on schedule and budget with total project costs reduced to US\$2.5-\$4 million – first gas remains on track for Q1 2026**
- **Over 10 mmcf/d tested in Q3 2025 between SE-MGH¹ and N-MGH² fields**
- **Positive cash flow from operations achieved in Q2 2025 despite reduced oil price**

Calgary, Alberta – August 27, 2025 – Criterion Energy Ltd. (“Criterion” or the “Company”) (TSXV: CEQ), an independent upstream energy development and production company focused on energizing growth for Southeast Asia today announced a successful re-entry and extended production test at SEM-01 in the Southeast Mengoepeh field (“SE-MGH”) and North Mengoepeh (“N-MGH”) in addition to releasing unaudited financial results for the three-month period ended June 30, 2025.

“The successful re-entry and extended well test at SEM-01 marks a key milestone in our gas development program. With test rates reaching up to 8 mmcf/d and strong pressure support, the SE-MGH field is positioned to be the cornerstone of our near-term gas growth,” said Matthew Klukas, President and CEO of Criterion Energy. “Our immediate focus is finalizing a binding gas sales agreement and advancing the safe, efficient development of SE-MGH, targeting first production in Q1 2026. The combination of stable gas cash flow from SE-MGH and N-MGH with our existing oil production will materially transform Criterion in 2026—strengthening our balance sheet, enhancing per-share cash flow, and funding a capital program to unlock additional gas and oil opportunities across our portfolio.”

Highlights

- **Successful SEM-01 extended well test:** SEM-01 tested 7 mmcf/d at 40/64” choke and up to 8 mmcf/d at 48/64” choke¹. Choke size was not increased further due to limitations of surface facilities. The results are aligned with the previous test conducted in 2001 and support the immediate development of the 15 bcf of contingent resource³.
- **SE-MGH to be developed within cash flow:** The SEM-01 re-entry and extended well test activities were performed on budget and overall capital guidance for the project has been reduced to US\$2.5 - \$4 million (previous estimate was US\$3 - \$5 million) of which approximately US\$1.2 million has been incurred to date. The Company reiterates its ability to bring SE-MGH online within cash flow from operations.
- **N-MGH Test:** MGH-20 tested 2.5 mmcf/d² with associated oil, suggesting commercial flow rates from the N-MGH field. The oil and gas resources contained within the N-MGH field, currently not included within the Company’s reserve or resource estimates, has the potential to increase total gas production as a near-term follow up to SE-MGH and can utilize infrastructure and commercial contracts established with the development of SE-MGH.
- **Tungkal Gas Development takes shape:** The successful tests at SE-MGH and N-MGH support development of both fields with anticipated first gas in Q1 2026 from SE-MGH and shortly after for N-



MGH. Both fields will be developed via pipeline infrastructure which will also connect the MGH Central Processing Facility, including MGH-43, to gas infrastructure. Following this development, the Company will turn its focus to Macan Gedang (contingent resources of 13 bcf³), Cerah (best case prospective resources of 26 bcf³), and MGH-43 (volumes under evaluation) over the next two to three years.

- **Positive cash flow from operations in Q2 2025:** Despite a 15% reduction in oil price compared to Q1 2025 and production issues related to pump failures at the PLT field, operating cash flow remained positive at C\$674 thousand, further demonstrating the Company's continued focus on operating costs, which remained stable at C\$36/bbl.

Adjusted Financial and Operational Summary

(\$000 CAD, except per share and per boe amounts)	Three months ended		
	June 30, 2025	March 31, 2025	June 30, 2024
Financial			
Petroleum sales	7,542	14,636 ⁶	7,952
Cash flow from operating activities	164	252	(416)
Net Income	(1,237)	(1,170)	(1,485)
Capital Expenditures	(714)	(168)	(106)
Weighted average common shares outstanding (000)	136,375	136,102	132,355
Weighted average fully diluted shares outstanding (000)	233,371	232,832	233,797
Operating			
Average daily production ⁴	890	988	821
Netbacks (\$CAD/bbl)			
Petroleum and natural gas sales	96.66	114.08	116.16
Royalties (Government Take)	(17.85)	(28.54)	(31.40)
Production Costs	(35.77)	(42.50)	(44.84)
Operating Netback ⁵	43.04	43.04	40.22

Criterion's unaudited financial results and supporting Management Discussion & Analysis for the three-month period ended June 30, 2025 is available on [Sedar+](#) and can also be found on the Company's website.

Tungkal PSC Gas Development – Building and Diversifying the Production Portfolio

For 2025, management intends to develop the Company's gas assets with an eye toward diversifying production beyond oil, backed by long-term Gas Sales Agreements ("GSAs") and funded from expected cash flow. The intent is to focus on the SE-MGH field, targeting production in Q1 2026 followed by production from N-MGH shortly thereafter.

The Company successfully re-entered the SEM-01 well and completed an extended well test in August 2025. The well sustained rates of 7 mmcf/d through a 40/64" choke over a 48-hour period and achieved up to 8 mmcf/d through a 48/64" choke¹. The Company did not proceed to a larger choke size due to limitations of the existing flare pit, but collected sufficient data to support reserve certification and to underpin a binding GSA.



Criterion intends to develop the SE-MGH field with production from SEM-01 and to transport the produced gas via a new 14 km pipeline to the Teluk Rendah Gas Plant where it will then be sold and distributed to end-users via existing infrastructure. It is expected that funding of the new pipeline will be provided by a third party underpinned by a GSA.

The estimated capital expenditure required to reach first gas for SE-MGH has been reduced to approximately US\$2.5 - \$4 million net to Criterion. The Company anticipates production to range between 5 - 7 mmcf/d⁷ (900 - 1,250 boe/d⁸) with potential to increase shortly after with the parallel development of N-MGH, which initially tested 2.5 mmcf/d². Pricing will be determined by the successful execution of a GSA, but recent contracts in South Sumatra have ranged between US\$5 - \$7/mmbtu⁹ on a long-term fixed take-or-pay basis. The development plan for N-MGH is currently envisioned to include a new pipeline connecting the field to the SE-MGH infrastructure.

Subsequently, Criterion intends to develop the Macan Gedang gas asset, where the Macan Gedang-1 well encountered gas in the Gumai Formation and tested at 5 mmcf/d¹⁰, with the intention of bringing production online in late 2026 or early 2027. The Company's most recent resource report dated [March 14, 2025](#) indicated a 2C gas resource at Macan Gedang of 13 bcf³. Macan Gedang can be produced via Modular LNG technology or by tying into the existing local pipeline infrastructure and management is reviewing both options in parallel.

In addition to SE-MGH, N-MGH, and Macan Gedang, the Tungkal PSC contains additional potential gas. Specifically, (i) the Cerah-1 well, drilled in 2008 encountered gas shows in the Gumai Formation but was not tested at the time due to low gas prices and lack of nearby infrastructure. Best case prospective resources in Cerah are expected to be 26 bcf recoverable³; and (ii) gas shows were encountered in the Gumai Formation during the drilling of the MGH-43 infill well which is still being evaluated.

Indonesian Gas Sales Agreements and Criterion's strategy

With a backdrop of growing energy demand and with energy security as a top priority for Indonesia, domestic GSAs offer significant benefits to Criterion as they provide a stable long-term fixed price. The fixed nature of these contracts means Criterion's gas production is not subject to external price fluctuations as it is with oil sales, which helps build a steadier cash flow profile and provides greater confidence in future capital planning. These advantages, combined with favorable capital efficiency for the gas projects at SE-MGH (currently projected to be brought online for approximately US\$3,000 per flowing boe/d), will reduce the Company's unit operating cost by 40-50% to US\$16-18/boe¹¹.

Criterion's emphasis on gas development is aligned with our strategic approach to growing stable and sustainable production by investing in projects with short-cycle return due to favorable markets and nearby accessible infrastructure. This strategy is aligned with the Government of Indonesia's objectives and builds Criterion's attractiveness as a trusted partner and operator.

Outlook

During the next 12 months, key milestones for the gas developments in the Tungkal PSC include:



- **Gas Sales Agreement and other commercial agreements:** Formal discussions have commenced with a credible domestic Indonesian offtaker for a long-term GSA. This will be complimented with a facility sharing agreement and other associated transportation agreements which will provide Criterion with processing and transportation services, connecting produced gas from the Tungal PSC to under-supplied gas markets.
- **Extended well testing of N-MGH:** Mobilizing the Company's service rig to conduct extended well testing at MGH-20 and MGH-32 to confirm well deliverability and support a plan of development for gas and oil at the N-MGH field.
- **SE-MGH & N-MGH site preparations:** Pending the finalization of the GSA and other commercial contracts, the Company will commence site preparations at SE-MGH, N-MGH, and the Teluk Rendah Gas Plant to accommodate production and transportation of produced gas.

Management continues to monitor and assess the cash flow impact and margin implications of volatile global commodity pricing driven by the rapidly shifting macroeconomic environment. However, management firmly believes that this environment validates the Company's strategy focused on acquiring undercapitalized assets in an energy hungry Southeast Asian market. With a portfolio that contains contingent resources heavily weighted towards natural gas, which attracts stable long-term pricing in domestic markets, combined with operating cost reductions realized in 2024, the Company is primed to materially increase and diversify production in the near term.

Stay Connected to Criterion

Shareholders and other interested parties who would like to learn more about the Criterion opportunity are encouraged to visit the Company's [website](#), review a recent [corporate presentation](#), and follow the [Company on X \(formerly Twitter\)](#) and [LinkedIn](#) for ongoing corporate updates and relevant international oil and gas industry information.

About Criterion Energy Ltd.

Criterion Energy Ltd. (TSXV: CEQ) is Canadian-based upstream energy company focused on the aggregation and sustainable development of assets in Southeast Asia that can deliver scalable growth and cash flow generation. This region is expected to contain a population approaching 800 million people within the next 25 years, driving world-leading economic growth and record energy demand. With international operating expertise and a local presence, Criterion intends to contribute responsible, safe and secure sources of energy to help meet this demand. The Company is committed to maximizing total shareholder return by executing across three strategic pillars that include (1) fostering a successful and sustainable reputation; (2) leveraging innovation and technology arbitrage; and (3) achieving operational excellence with an unwavering commitment to safety. For further information please visit our website (www.criterionenergy.com) or contact:

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Notes

¹ SEM-01 Well Test Results: SEM-01 completed extended well test on August 24 and is currently suspended while observing pressure build-up. The production test resulted in a clean-up period which produced 7.9 mmcf/d through a 48/64" choke with 706 psig WHP for a period of 4 hours. The 3-stage completion test was as follows: Stage 1; 24/64" choke, 3.0 mmcf/d, 1,150 psig WHP for 48 hours, Stage 2; 32/64" choke, 5.1 mmcf/d, 1,070 psig WHP for 48 hours, Stage 3; 40/64" choke, 7.1 mmcf/d, 960 psig WHP for 48 hours.

² MGH-20 gas test results: 24 hour test of 2.1 mmcf/d through 4/64" choke, FTHP 500 psi and 24 hours at 2.5 mmcf/d through 8/64" choke, FTHP 360psi. Liquid carryover was recovered with a total of 215 bbls of oil recovered. Oil recovered had an API of 30.3 and a pour point of 40°C.

³ 2024 Report: Reserve Report commissioned by Criterium Energy Ltd. and prepared by ERCE Australia Pty. Ltd, an independent reserves evaluator and auditor, dated March 14, 2025 with effective date of December 31, 2024 (the "2024 Report"), which was prepared in accordance with the definitions, standards, and procedures contained in the Canadian National Instrument 51-101 Standards of Disclosure of Oil and Gas Activities. The Reserve Report will be made available on Criterium's SEDAR profile.

⁴ Estimate based on field production reports

⁵ Non-IFRS financial measure or ratio that does not have any standardized meaning as prescribed by International Financial Reporting Standards, and therefore, may not be comparable with calculations of similar measures or ratios for other entities. See "Advisories - Non-IFRS and Other Financial Measures" contained within this press release and in the Company's most recently filed MD&A, available on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca). Netback is calculated by subtracting direct operating costs from net revenue and dividing by the amount of barrels produced over the same time frame.

⁶ Includes lifting of 40,500 bbls that occurred in January 2025, attributed ~C\$3.4 mm in revenue and ~C\$2.0 mm to Q4 2024 Funds Flow based on capitalized inventory numbers in the Company YE 2024 Financial Statements

⁷ Management estimate based on SEM-01 extended well test results and ongoing commercial discussions

⁸ "Barrel Oil Equivalent" or "boe" is determined by converting a volume of natural gas to barrels using the ratio of 5.615 mcf to one barrel. BOEs may be misleading, particularly if used in isolation. A boe conversion ratio of 5.615 mcf:1 boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

⁹ Recent sales agreements in South Sumatra may not be indicative of future pricing for the SE-MGH and solely relying on non-public information such as gas sales agreements may be misleading.

¹⁰ Macan Gedang gas test duration was approximately 2 days and produced 4.6 mmcf/d through a 48/64" choke.

¹¹ Management estimates for resource, capital costs, and operating costs for SE-MGH are based on the costs presented in the 2024 Report prepared by ERCE Australia

Abbreviations

AGM	Annual General Shareholder Meeting
bbls	barrels of oil
bbls/d	barrels of oil per day
bcf	billion cubic feet
boe	barrel of oil equivalent
boe/d	barrels of oil equivalent per day
ERCE	ERCE Australia Pty Ltd
FFO	Funds flow from operations
mmbtu	million British thermal units
mmcf	million cubic feet



mmcf/d	million cubic feet per day
MOU	Memorandum of Understanding
MGH	Mengoepeh
N-MGH	North Mengoepeh
PLT	Pematang Lantih
PSC	Production Sharing Contract
PSIG	Pounds per Square Inch Gauge
SE-MGH	Southeast Mengoepeh
TAF	Talang Akar Formation
TRGP	Teluk Rendah Gas Plant
WHP	Well Head Pressure

Cautionary Note Regarding Forward-Looking Statements

This press release contains certain forward-looking information and statements that are based on expectations, estimates, projections, and interpretations as at the date of this news release. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends", "seek", "aims" and similar expressions are intended to identify forward-looking information or statements.

Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of Criterium's businesses include, among other things: risks and assumptions associated with operations; risks inherent in Criterium's future operations; increases in maintenance, operating or financing costs; the availability and price of labour, equipment and materials; competitive factors, including competition from third parties in the areas in which Criterium intends to operate, pricing pressures and supply and demand in the oil and gas industry; fluctuations in currency and interest rates; inflation; risks of war, hostilities, civil insurrection, pandemics, instability and political and economic conditions in or affecting Indonesia or other countries in which Criterium intends to operate (including the ongoing Russian-Ukrainian conflict); severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to Criterium future business; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals and the maintenance of such approvals; general economic and business conditions and markets; and such other similar risks and uncertainties. The impact of any one assumption, risk, uncertainty or other factor on a forward-looking statement cannot be determined with certainty, as these are interdependent and the Company's future course of action depends on the assessment of all information available at the relevant time. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

With respect to forward-looking statements contained in this press release, Criterium has made assumptions regarding, among other things: future exchange and interest rates; supply of and demand for commodities; inflation; the availability of capital on satisfactory terms; the availability and price of labour and materials; the impact of increasing competition; conditions in general economic and financial markets; access to capital; the receipt and timing of regulatory and other required approvals; the ability of Criterium to implement its business strategies; the continuance of existing and proposed tax regimes; and effects of regulation by governmental agencies.

The forward-looking statements contained in this press release are made as of the date hereof and the parties do not undertake any obligation to update 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.

Non-IFRS and Other Financial Measures

Throughout this press release and other materials disclosed by the Company, Criterium uses certain measures to analyze financial performance, financial position and cash flow. These non-IFRS and other specified financial measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures presented by other entities. The non-IFRS and other specified financial measures should not be considered alternatives to, or more meaningful than, financial measures that are determined in accordance with IFRS as indicators of Criterium's performance. Management believes that the presentation of these non-IFRS and other specified financial measures provides useful information to shareholders and investors in understanding and evaluating



the Company's ongoing operating performance, and the measures provide increased transparency and the ability to better analyze Criterium's business performance against prior periods on a comparable basis.

Operating Netback per bbl

Operating netback per bbl equals petroleum sales less royalties and net opex calculated on a per bbl basis. Management considers operating netback per bbl an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices.