

Drilling Horizontal Well 12-14 at Leduc-Woodbend, Canada



Noordgastransport (NGT) Treatment Plant at Uithuizen, Netherlands



Platform K12-B Dutch North Sea, Netherlands



**TENAZ ENERGY**

Proven principles, new opportunities.

**Q4 & YEAR-END 2023 UPDATE**

# Advisory on Forward-Looking Statements



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Certain information contained in this presentation constitutes forward-looking information or forward-looking statements (collectively, "forward-looking statements") under applicable securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements typically contain words such as "anticipate", "believe", "confirms", "continuous", "estimate", "expect", "may", "plan", "project", "should", "will", or similar words suggesting future outcomes. Forward-looking statements in this document include, statements and tables with respect to potential capital investments (including cost estimates, expenditures and deployment timing); strategic initiatives (including investment allocation between geographic concentrations); anticipated producer activity and industry trends; and anticipated performance (including estimated internal rates of return, returns on investment, net present values, yield on investment and dividend amounts and timing), as well as the timing of, and the Corporation's ability to successfully complete acquisitions.

Readers are cautioned not to place undue reliance on the forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, as well as known and unknown risks and uncertainties, both general to the industry as a whole and specific to the Corporation and its proposed investments and strategies, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and which may cause the Corporation's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by the forward-looking statements contained herein. These assumptions, risks and uncertainties include, among other things: ability to successfully implement strategic initiatives and whether such initiatives yield the expected benefits and results; fluctuations in the supply and demand for natural gas, NGLs and crude oil; assumptions regarding commodity prices; activities of producers, competitors and others; the weather; assumptions around construction schedules and costs, including the availability and cost of materials and service providers; fluctuations in currency and interest rates; credit risks; marketing margins; disruption or unexpected technical difficulties in developing assets; Tenaz's ability to generate sufficient cash flow from operations to meet its current and future obligations; its ability to access external sources of debt and equity capital; changes in laws or regulations or the interpretations of such laws or regulations; political and economic conditions; and other risks and uncertainties described from time to time in the reports and filings made by Tenaz with securities regulatory authorities or otherwise. Readers are cautioned that the foregoing list of important factors is not exhaustive. All forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Financial outlook and future-oriented financial information contained in this presentation about prospective financial performance or financial position is based on assumptions about future events, including any economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than for which it is disclosed herein. The prospective financial information included in this presentation has been prepared by, and is the responsibility of, management and has been approved by management as of the date hereof. The Corporation and management believe that prospective financial information has been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Corporation's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. Tenaz believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying such financial analyses. The preparation of any financial forecast is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Forward-looking statements, financial outlook and future-oriented financial information contained in this presentation are made as at the date of this presentation and we disclaim any intent or obligation to update or to revise any of the included forward-looking statements, financial outlook or future-oriented financial information whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

## Currency Disclaimer

All dollar figures contained in this presentation are in Canadian dollars "CAD" unless otherwise stated.



Noordgastransport (NGT), Treatment Plant at Uithuizen, Netherlands

# OPERATING AND FINANCIAL RESULTS

# Financial and Operating Highlights



- Record production levels
  - Q4 production of 3,135 boe/d, 32% higher than Q3
  - Full-year 2023 production of 2,439 boe/d, more than double 2022
  - Completed four-well Leduc-Woodbend program, with Q4 rate of 225 boe/d per well (89% oil)
  - Closed XTO Netherlands acquisition in Q3, contributing to Netherlands production of 1,107 boe/d in Q4
- Annual funds flow from operations<sup>1</sup> of \$28.9 million (\$1.05/share), 235% higher than 2022
- Net income for full-year 2023 was \$26.5 million (\$0.97/share), up 5x as compared to 2022
- Year-end 2023 adjusted working capital<sup>1</sup> of \$49.3 million (\$1.84/share) and undrawn \$10 million credit facility
- Repurchased 1.3 million shares at an average price of \$2.97/share in 2023
- TNZ was one of the top performing stocks on the entire TSX in 2023 with a total shareholder return of 83%<sup>2</sup>



1. Funds flow from operations, adjusted working capital (net debt), free cash flow and operating netback are non-GAAP measures that do not have any standardized meaning under IFRS. Refer to "Non-GAAP Measures" section of Tenaz's Q4 2023 MD&A.

2. Calculated using December 30, 2022 and December 29, 2023 closing prices.



Producing Rex Wells at Pad 10-11, Leduc-Woodbend, Alberta, Canada

# YEAR-END 2023 RESERVES

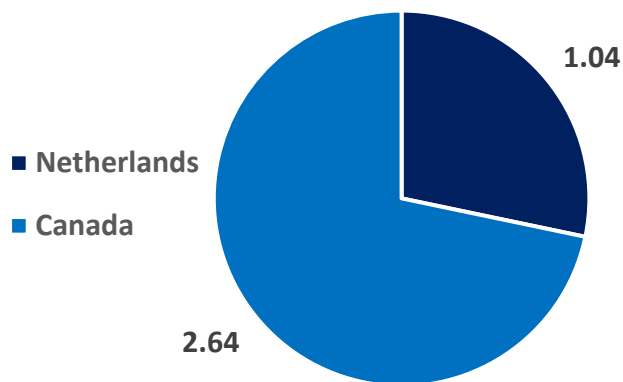
# Year-End 2023 Reserves



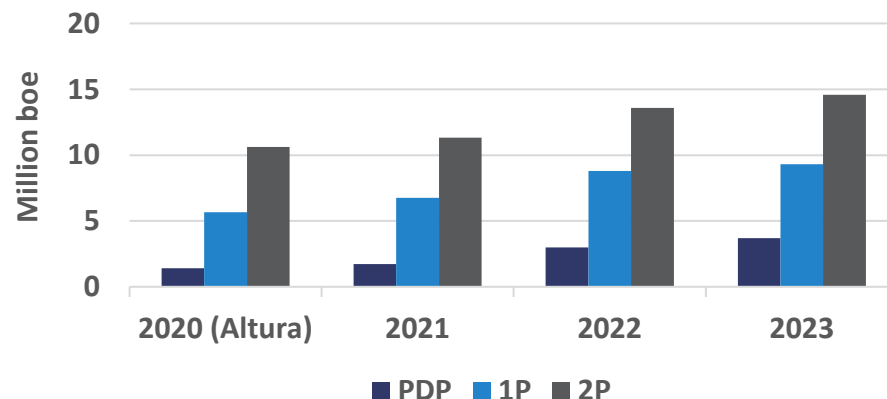
- PDP reserves up 22% year-over-year, replacing 161% of production at an organic recycle ratio of 2.2x
- 1P and 2P reserves up 6% and 7% respectively
- Replaced 195% of production at a 2P FD&A recycle ratio of 2.5x, after accounting for XTO purchase at nil purchase price<sup>8</sup>
- 2P ATAX NPV10<sup>3</sup> of \$142 million, up slightly from year-end 2022 despite lower pricing for both TTF and AECO gas
- 2P Reserve Life Index (RLI) of 12.8 years, based on Q4 production rate

Reserve Category <sup>1,2</sup>	F&D Cost (\$/boe) <sup>4,5,7</sup>	Recycle Ratio <sup>6,7</sup>	FD&A Cost (\$/boe) <sup>4,5,7</sup>	Recycle Ratio <sup>6,7</sup>
PDP	\$19.53	2.2	\$17.23	2.5
1P	\$23.44	1.8	\$19.69	2.2
2P	\$22.10	2	\$17.15	2.5

PDP Reserves by Country (Million boe)



Year-End Reserves



- Reserves are gross Tenaz working interest reserves before royalty deductions.
- Based on average of the price decks of three independent engineering firms, GLJ Ltd., Sproule Associates Limited and McDaniel & Associates Consultants Ltd. (the "Consultant Average Price Forecast") at January 1, 2024.
- Net present values at 10% discount rate ("NPV10").
- The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development capital generally will not reflect total finding and development costs related to reserve additions for that year.
- The calculation of finding and development ("F&D") costs includes the change in future development costs ("FDC") required to bring proved undeveloped and developed reserves into production. The F&D number is calculated by dividing the identified capital expenditures by applicable reserve additions including extensions, infills, revisions, acquisitions and disposals, and economic factors, after changes in FDC.
- Recycle Ratio is a Non-IFRS ratio that is calculated by dividing operating netback (Non-IFRS measure) by the cost of adding reserves ("F&D Cost").
- "F&D Cost" and "Recycle Ratio" do not have standardized meanings and therefore may not be comparable with the calculation of similar measures for other entities.
- Tenaz received \$46.5 million of positive adjusted working capital on closing of the XTO Netherlands acquisition. This is being treated as nil for the FD&A cost and recycle ratio calculations.



Platform K12-B Dutch North Sea, Netherlands

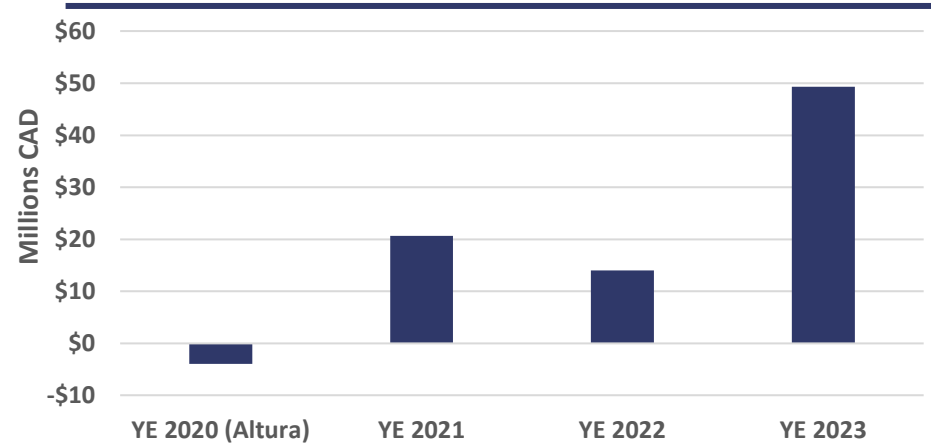
# TENAZ RECORD

# Record Since Recapitalization

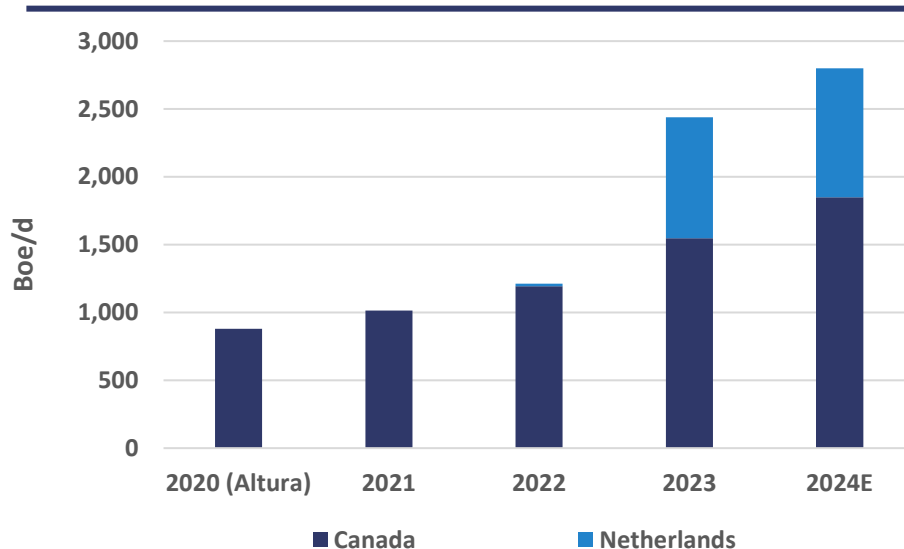


- Production up 3x
- FFO up 8x
- Positive adjusted working capital up substantially (negative net debt of \$49.3 million<sup>1</sup>)
- Share count down by 6%

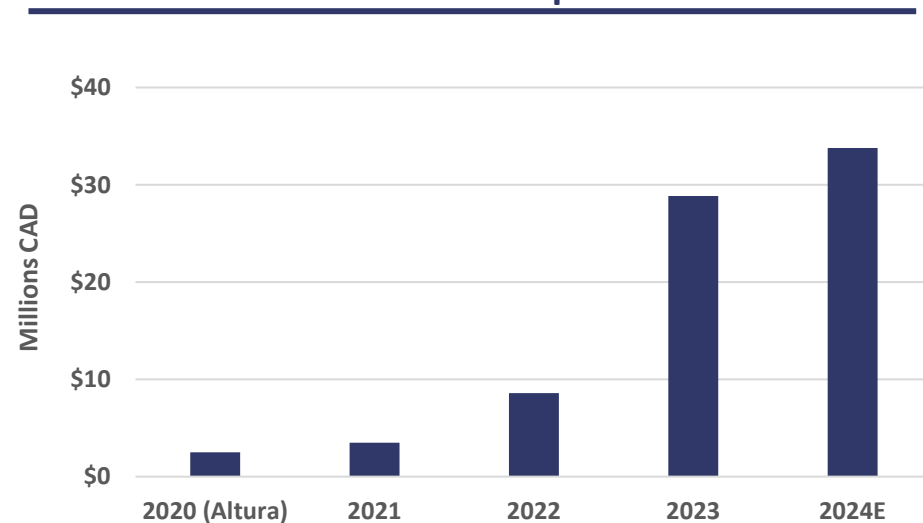
## Adjusted Working Capital (Net Debt)<sup>1</sup>



## Production<sup>2</sup>



## Funds Flow from Operations<sup>1 2</sup>



1. Funds flow from operations, adjusted working capital (net debt), and operating netback are non-GAAP measures that do not have any standardized meaning under IFRS. Refer to "Non-GAAP Measures" section of Tenaz's Q4 2023 MD&A.

2. 2024E production is illustrated based on the midpoint of 2024 guidance. FFO for 2024E is an indicative forecast prepared by Tenaz using strip pricing as of March 20, 2024.





Noordgastransport (NGT), Treatment Plant at Uithuizen, Netherlands

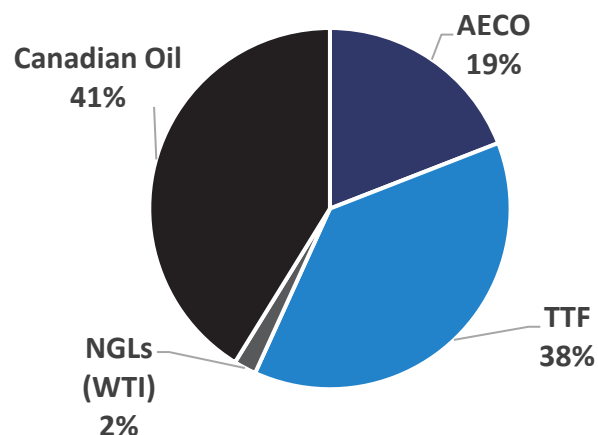
# OUTLOOK



## Activities for 2024

- Continued development at Leduc-Woodbend oil field, targeting 4 (3.5 net) wells in the Rex formation
- Budget designed to maintain investment flexibility and deliver growth paired with free cash flow
- Continued evaluation of Netherlands CCS with \$3 million of FEED capital
- Active hedging program, with TTF price fixed for 40% of Q1 at \$24.12/Mcf<sup>1</sup> and 20% of Q2/Q3 at \$14.71/Mcf<sup>1</sup>. Additionally, fixed AECO price for 25% of winter '24/'25 production at \$3.28/Mcf
- Disciplined M&A efforts targeting opportunities in identified regions of focus

## Production Mix (2024E)



## 2024 Guidance

<b>2024 Average Production</b>	<b>2,700 to 2,900 boe/d</b>
<b>2024 D&amp;D CAPEX</b>	<b>\$23 to \$25 million</b>
<b>Wells Planned (Canada)</b>	<b>4 (3.50 net)</b>

1. Underlying fixed price contract priced in euro per MWh converted to Canadian per Mcf using market standard conversion ratio and Euro to Cad exchange ratio of 1.4760.

# International Strategy



- Targeting acquisition of conventional and semi-conventional producing assets in international markets
- International jurisdictions offer potential for:
  - Less competition
  - Greater opportunity for operational improvements
  - Higher returns on capital
- Emphasize leadership in ESG practices

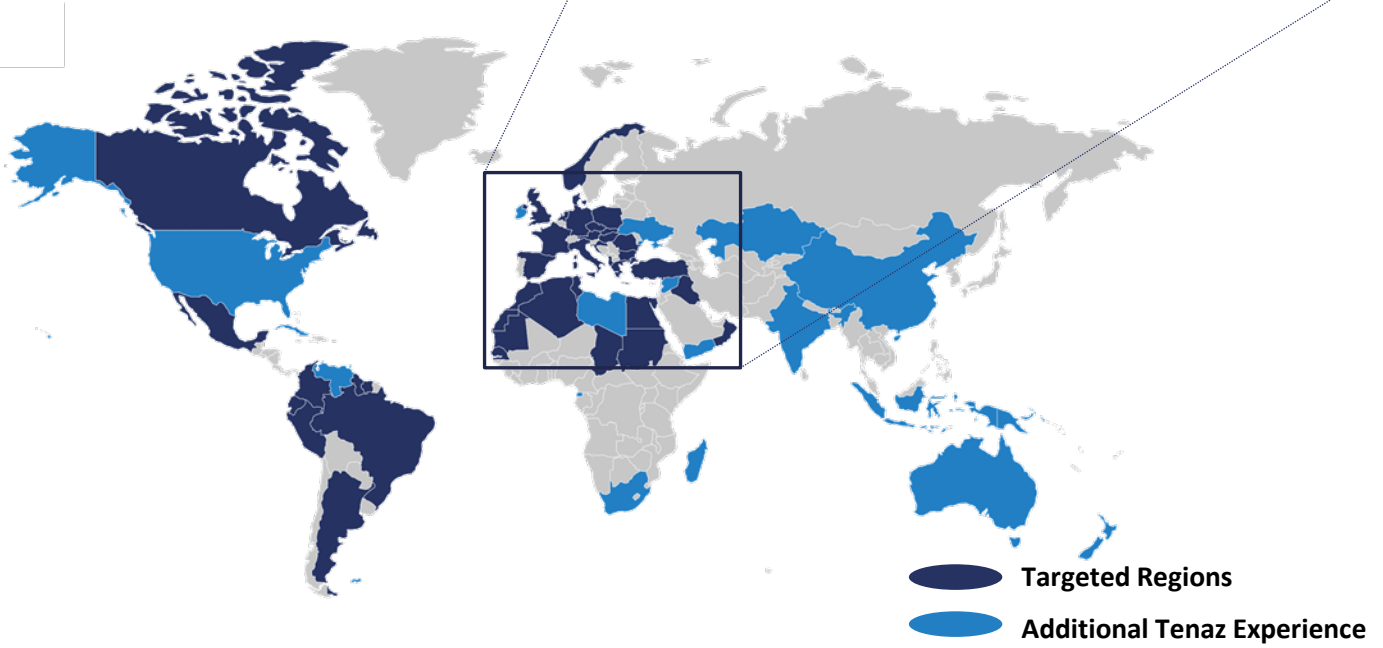
**Acquire Producing  
Oil and Gas  
Assets**



**Improvements  
Through Operating  
Control**



**Generate Free Cash  
Flow Alongside  
Organic Growth**





## READER ADVISORIES

### Non-GAAP Measures

Management uses the term “capital expenditures” as a measure of capital investment in exploration and production activity, as well as property acquisitions and dispositions, and such spending is compared to the Company’s annual budgeted capital expenditures. The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. A reconciliation of cash flow used in investing activities to capital expenditures can be found in the Company’s most recent MD&A available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Tenaz Energy Corp. (“Tenaz”, “Company”) profile. The reported non-GAAP measures and their underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Where these measures are used, they should be given careful consideration by the reader.

### Information Regarding Disclosure on Oil and Gas Reserves

All reserves information publicly reported by Tenaz were prepared by McDaniel and Associates Consultants Ltd., for Tenaz, in accordance with NI 51-101 and the COGE Handbook. The estimates of reserves for an acquisition may not reflect the same confidence level as estimates of reserves for all of Tenaz’s properties, due to the effects of aggregation and timing of the effective date. All reserve references are “gross reserves” whereby gross reserves are a company’s total working interest reserves before the deduction of any royalties payable by such company and before the consideration of such company’s royalty interests.

### Barrels of Oil Equivalent

The term barrels of oil equivalent (“boe”) may be misleading, particularly if used in isolation. Per boe amounts have been calculated by using the conversion ratio of six thousand cubic feet (6 Mcf) of natural gas to one barrel (1 bbl) of crude oil. The boe conversion ratio of 6 Mcf to 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 that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

### 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”, “budget”, “forecast”, “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, In addition, statements related to “reserves” are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions, that the resources can be discovered and profitably produced in the future.

The forward-looking information and statements contained in this press release reflect several material factors and expectations and assumptions of the Company including, without limitation: the continued performance of the Company’s oil and gas properties in a manner consistent with its past experiences; that the Company will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the accuracy of the estimates of the Company’s reserves and resource volumes; certain commodity price and other cost assumptions; the continued availability of oilfield services; and the continued availability of adequate debt and equity financing and cash flow from operations to fund its planned expenditures. The Company 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.

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 ability of management to execute its business plan; changes in commodity prices; changes in the demand for or supply of the Company’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 the Company or by third party operators of the Company’s properties, increased debt levels or debt service requirements; inaccurate estimation of the Company’s oil and gas reserve 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 the Company’s public documents.

The forward-looking information and statements contained in this press release speak only as of the date of this press release, and the Company 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.



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