



LNG ENERGY GROUP ANNOUNCES THIRD QUARTER 2023 FINANCIAL AND OPERATING RESULTS AND COMPLETES ACQUISITION OF LEWIS ENERGY COLOMBIA, PROVIDING VISIBLE PATHWAY TO VALUE ADDED GROWTH

Key Highlights:

- During the quarter, LNG Energy Group completed the acquisition of Lewis Energy Colombia. Acquired assets provide significant operated natural gas and condensate production, and additional undeveloped exploration and development acreage.
- Listed for trading on the TSX Venture Exchange in mid-September, while also listed on the U.S. Over-the-Counter Market (OTCQB) and the Frankfurt Stock Exchange mid-November.
- Lewis Energy Colombia entered into long-term natural gas sales contracts providing immediate asset value growth.
- LNG Energy Group drilled its first well, Bullerengue West No. 5.
- LNG Energy entered into a \$13.3 million letter of credit facility with Macquarie Group.

November 29, 2023 – **Toronto, Ontario** – LNG Energy Group Corp. (TSXV: LNGE) (TSXV: LNGE.WT) (OTCQB: LNGNF) (FRA: E26) (the “**Company**” or “**LNG Energy Group**”) is pleased to announce its financial and operating results for the three and nine months ended September 30, 2023. On August 15, 2023 (the “**Closing Date**”), LNG Energy Group completed the acquisition of Lewis Energy Colombia, Inc. “**Lewis Energy Colombia**” and the financial and operational results are measured from the Closing Date to September 30, 2023. All dollar amounts are expressed in United States dollars, except where otherwise indicated.

“With the acquisition of Lewis Energy Colombia, LNG Energy Group is now an established natural gas operator and producer in Colombia underpinned by significant base production and a stable of undeveloped exploration and developed blocks providing a pathway to value-added growth. In Colombia, we see very strong supply-demand dynamics and natural gas pricing fundamentals to support our business model and provide increasing value to our shareholders,” commented Pablo Navarro, Chief Executive Officer and Chairman of the Company.

Q3 2023 Financial and Operating Results⁽¹⁾

- Production before royalties of 18,025 Mcf/d natural gas and 205 bbl/d condensate (3,142 boe/d). Realized Sales Volumes before royalties of 17,908 Mcf/d and 206 bbl/d condensate (3,348 boe/d).
- Operating netbacks (net of royalties, operating expenses and transportation) of \$4.35/Mcf natural gas and \$49.94/bbl condensate (\$26.18/boe).
- Adjusted EBITDAX of \$2.3 million.
- Net Income of \$18.5 million.
- Sales Revenues net of royalties of \$4.0 million.
- Net Capital Expenditures of \$2.1 million.
- Cash and cash equivalents of \$11.4 million.

⁽¹⁾ The financial and operational results are measured from the Closing Date to September 30, 2023.

⁽²⁾ See Non-IFRS Measures disclaimer.



Financial⁽¹⁾	Three months ended on September 30, 2023	Nine months ended on September 30, 2023
Total Sales, net of royalties and transportation expense	4,032	4,032
Net Income (Loss) and other comprehensive income (loss)	18,472	16,166
Cash Flow provided by operating activities.	206	206
Adjusted Ebitdax ⁽²⁾	2,324	2,185
Capital Expenditures	2,064	2,064
Cash and Cash Equivalent	11,406	11,406
Total Debt	62,680	62,680
Total Assets	229,574	229,574
Common Shares, end of period (000s)	155,108	155,108
Operating	Three months ended on September 30, 2023	Nine months ended on September 30, 2023
Production		
Gas (Mcf/d)	18,025	18,025
Condensate (bbl/d)	205	205
Total (boe/d)	3,367	3,367
Realized Contract Sales		
Gas (MMcf/d)	17,908	17,908
Condensate (bbl/d)	206	206
Total (boe/d)	3,348	3,348
Operating netback⁽²⁾		
Gas (\$/Mcf)	4.35	4.35
Condensate (\$/bbl)	49.94	49.94
Total (\$/boe)	26.18	26.18

⁽¹⁾ These financial statements and MD&A have been prepared for the period August 15, 2023 to September 30, 2023, and the comparative amounts presented in the condensed interim consolidated statement of income and comprehensive income are for the period from incorporation on September 7, 2022, to September 30, 2022.



⁽²⁾ Non-IFRS measures – see “Non-IFRS Measures” section within MD&A for further details.

Quarterly and Operational Update

- Listed for trading on the TSX Venture Exchange in mid-September, while also listed on the U.S. Over-the-Counter Market (OTCQB) and the Frankfurt Stock Exchange in mid-November.
- Lewis Energy Colombia entered into long-term natural gas sales contracts providing immediate asset value growth.
- LNG Energy Group drilled its first well, Bullerengue West No. 5.
- Continuing to complete the 2023 well workover campaign.
- LNG Energy entered into a \$13.3 million letter of credit facility with Macquarie Group.

Outlook

For the remainder of 2023, the Corporation is focused on the following objectives: (1) drilling and completion of the Bullerengue West #5 well; (2) complete the remainder of the 2023 well workover campaign; (3) continuing to evaluate and strengthen the Corporation’s commitment to environmental, social and governance initiatives; and (4) the repayment of its indebtedness and strengthening of its capital and liquidity resources.

This press release should be read in conjunction with the Corporation’s interim condensed consolidated financial statements and related Management’s Discussion and Analysis (“**MD&A**”). The Corporation has filed its interim condensed consolidated financial statements and related MD&A as at and for the three and nine months ended September 30, 2023, with the Canadian securities regulatory authorities. These filings are available for review on SEDAR at www.sedarplus.ca.

About LNG Energy Group

The Company is focused on the acquisition and development of natural gas production and exploration assets in Latin America. For more information, please visit www.lngenergygroup.com.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:

This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of applicable Canadian securities laws. All statements other than statements of historical fact are forward-looking statements, and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often using phrases such as “expects”, “anticipates”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends”, or variations of such words and phrases, or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved, are not statements of historical fact and may be forward-looking statements.



Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include: general business, economic, competitive, political and social uncertainties; delay or failure to receive any necessary board, shareholder or regulatory approvals, factors may occur which impede or prevent LNG Energy Group's future business plans; and other factors beyond the control of LNG Energy Group. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, LNG Energy Group assumes no obligation to update the forward-looking statements, whether they change as a result of new information, future events or otherwise, except as required by law.

Non-IFRS Measures

Two of the benchmarks the Corporation uses to evaluate its performance are adjusted funds from operations and adjusted EBITDAX, which are measures not defined in IFRS. Adjusted funds from operations represent cash flow provided by operating activities before the settlement of decommissioning obligations and changes in non-cash working capital, adjusted for non-recurring charges. Adjusted EBITDAX is defined as net income (loss) and comprehensive income (loss) adjusted for interest, income taxes, depreciation, depletion, amortization, pre-license costs and other similar non-recurring or non-cash charges.

LNG Energy Group considers these measures as key measures to demonstrate its ability to generate the cash flow necessary to fund future growth through capital investment, pay dividends and repay its debt. These measures should not be considered as an alternative to, or more meaningful than, cash provided by operating activities or net income (loss) and comprehensive income (loss) as determined in accordance with IFRS as an indicator of the Corporation's performance. The Corporation determination to take these measures may not be comparable to that reported by other companies.

Operating Netbacks

In addition to the above, management uses the Operating Netback measure. Operating Netback is a benchmark common in the oil and gas industry and is calculated as revenue, less royalties, less operating expenses, calculated on a per unit basis of sales volumes. Operating netback is an important measure in evaluating operational performance as it demonstrates profitability relative to current commodity prices. Operating netback as presented does not have any standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures for other entities.

The term "boe" is used in this MD&A. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet of natural gas to barrels of oil equivalent is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In this MD&A, boe is expressed using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Ministry of Mines and Energy of Colombia. Natural gas and liquified natural gas volumes per day are expressed in thousand cubic feet per day ("Mcf/d") or million cubic feet per day ("MMcf/d") throughout this MD&A.



Please see the Corporation's interim condensed consolidated financial statements and related MD&A for additional disclaimers.