



NEWS RELEASE

ALPHABOW ENERGY DEMANDS REVIEW OF THE ALBERTA ENERGY REGULATOR'S UNFAIR CONDUCT

CALGARY – September 28, 2023 – AlphaBow Energy Ltd. ("AlphaBow") is calling on the Alberta Ombudsman to review the Alberta Energy Regulator's ("AER") decision-making practices, which have deprived the company of its procedural fairness rights. In a complaint filed with the Alberta Ombudsman, AlphaBow alleges that the AER has demonstrated unfair, discriminatory, and intentional conduct toward AlphaBow, which could unnecessarily put it out of business.

Earlier this year, the AER issued an order to AlphaBow requiring the company to demonstrate its plan to care for, and take certain measures on, its sites that also directed AlphaBow to divert significant funds from its operations and obligations to landowners and municipalities. Since that time, and despite AlphaBow's transparency about its plan forward to resolve concerns and meet its regulatory and financial obligations, the AER has denied AlphaBow's right for an inquiry and directed the Orphan Well Association (OWA) to take control of, and suspend, its sites, even though a regulatory appeal hearing on the orders is pending.

"AlphaBow has made every effort to demonstrate to the AER that it is committed to being a responsible operator and meeting its obligations," said Ben Li, Chief Executive Officer. "From continuing to reduce our liabilities by meeting or exceeding the AER's closure requirements, to reaching out to municipalities with proposals to resolve unpaid taxes, we're confident about our plan moving forward. Unfortunately, the AER has refused to discuss a potential resolution and seems intent to force us out of business by transferring control over our sites to the OWA even though we remain willing and able to look after our sites."

As a result, AlphaBow's business is in jeopardy, and in the absence of intervention, the AER's actions will have harmful consequences to taxpayers, creditors, and the environment.

"We're eager to work with the AER and put our plan into action so we can make things right," Li said. "But it's clear that there is no interest to partner together in the best interests of Albertans. They want us to go out of business—no matter what the facts say. This simply isn't right—especially when AlphaBow is committed to improving and acting responsibly."

Key facts include:

- **AlphaBow has far exceeded the average in terms of retirement of sites** (i.e., work to decommission, reclaim, and dispose sites). For the five-year period April 1, 2018, through March 31, 2023, AlphaBow has reduced its liability by approximately 34 per cent by decommissioning 871 wells and disposing 234 sites, which reduced its licensed and unabandoned well count from 3,294 to 2,189.
- **Shutting in AlphaBow's Prentiss CO₂ capture facility and related wells and downstream piping will prevent on average, 550 tonnes of CO₂ per day, from being captured, and instead may result in emissions being released into the environment.**

AlphaBow has contracted with MEGlobal to compress between 450 and 650 metric tonnes of CO₂ from MEGlobal's ethylene glycol plant per day. Through AlphaBow's Prentiss CO₂ capture facility, the related wells and downstream piping inject the CO₂ underground.

The Prentiss CO₂ Capture facility prevents, on average, about 550 tonnes of CO₂ from being emitted to the atmosphere each day. It also removes a large amount of water vapour and eliminates a large plume of water vapour clouds.

This decision was made by the AER despite knowing the environmental impacts shutting down the facility would cause.

- **AlphaBow will dedicate a significant portion of the net proceeds from CO₂ offset credits to retiring amounts owed to municipalities and surface landowners.**

In the coming months, AlphaBow expects to unlock somewhere between \$25 and \$30 million worth of CO₂ offset credits.

There are two other pending deals where independent third parties have made offers to invest capital in AlphaBow projects in a manner that is beneficial and accretive to the company and to all stakeholders. However, such deals will not proceed if AlphaBow's operations remain suspended.

"The Alberta Government and the Alberta Ombudsman must intervene immediately to assess the situation impartially," Li said. "Every day that passes further harms AlphaBow and its employees, thus increasing the possibility that municipalities and surface landowners will never recoup the money owed to them."

About AlphaBow

AlphaBow Energy Ltd. is a privately-owned company committed to the sustainable development and production of oil and natural gas in Western Canada. The company is headquartered in Calgary, Alberta, Canada, and has been operating in its Central Alberta assets since 2016. AlphaBow's long-term strategy is to build a sustainable entity focused on long-life, low-cost, competitively advantaged assets targeting large accumulations of oil and natural gas. AlphaBow strives to achieve a balanced development approach between conventional assets and unconventional assets designed to generate long-term growth in production, reserves, and cash flow.

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